

BAY STATE GAS COMPANY

**Depreciation Study
as of
December 31, 2003**



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April 21, 2005

Mr. Thomas R. Birmingham, Regulatory Policy
Bay State Gas Company
300 Friberg Parkway
Westborough, MA 01581

RE: Depreciation Study

Dear Mr. Birmingham:

In accordance with your authorization, we have prepared a depreciation study related to the utility plant in service of Bay State Gas Company as of December 31, 2003. Our findings and recommendations, together with supporting schedules and exhibits, are set forth in the accompanying report.

Summary schedules have been prepared to illustrate the impact of instituting the recommended annual depreciation rates as a basis for the Company's annual depreciation expense as compared to the rates presently utilized. The application of the present rates to the depreciable plant in service as of December 31, 2003 results in an annual depreciation expense of \$23,586,414. In comparison, the application of the proposed depreciation rates to the depreciable plant in service at December 31, 2003 results in an annual depreciation expense of \$29,240,069 which is an increase of \$5,653,655 from current rates. The composite annual depreciation rate under present rates is 3.42 percent, while the proposed proforma composite depreciation rate is 4.24 percent.

Section 2 of our report contains the summary schedules showing the results of our service life and salvage studies and summaries of presently utilized depreciation rates. The subsequent sections of the report present a detailed outline of the methodology and procedures used in the study together with supporting calculations and analyses used in the development of the results. A detailed table of contents follows this letter.

Respectfully submitted,

EARL M. ROBINSON, CDP

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SECTION 1

Bay State Gas Company

Executive Summary

Table 1 on pages 2-1 to 2-2 is a comparative summary which illustrates the effect of instituting the revised depreciation rates. The schedule includes a comparison of the annual depreciation rates and annual depreciation expense under both present and proposed rates applied using the Straight Line Method for each depreciable property group of the Bay State Gas Company (the "Company") plant in service as of December 31, 2003. Both the present and proposed depreciation rates were developed utilizing the Straight Line (SL) Method, Broad Group (BG) Procedure, and the Average Remaining Life (ARL) Technique. In addition, Table 1 contains the proposed property group level depreciation rates detailed by depreciation rate component (i.e. plant only, gross salvage, and cost of removal).

Table 1a on pages 2-3 and 2-4 summarizes the segmentation of the Company's property group December 31, 2003 book depreciation reserves into the plant only, gross salvage, and cost of removal components.

Table 2 - Plant Only on pages 2-5 to 2-7 (which is the development of average remaining life depreciation rates for the Plant Only recovery component) provides a summary of the detailed life estimates and service life parameters (Iowa Curves) utilized in preparing the Average Remaining Life depreciation rates for each property group. The schedule provides a summary of the detailed data and narrative of the study results set forth in Sections 4 through 7. The developed depreciation rates (Column L) were determined by studying the Company's historical investment data together with the

interpretation of future life expectancies which will have a bearing on the overall service life of the Company's property.

Table 2 - Gross Salvage on pages 2-8 through 2-10 is a similar table to Table 2 - Plant Only, except that this table develops the component level depreciation rates for the recovery of the gross salvage portion of the property cost.

The final Table 2 is Table 2 - Cost of Removal on pages 2-11 through 2-13 which summarizes the depreciation recovery rate for the cost of removal segment of the plant cost.

Table 3, on pages 2-14 and 2-15, contains the allocation of the Company's book depreciation reserve for selected accounts (376, 380, 391.2, and 397.2) to individual property categories within the applicable accounts.

Table 4 on pages 2-16 and 2-17 reconciles the December 31, 2003 account level plant in service balances per books versus the balances utilized in the performance of the depreciation study. The table incorporates pending (unrecorded) retirements identified during the course of completing the depreciation study.

Likewise, Table 5, on pages 2-18 to 2-19, reconciles the December 31, 2003 book depreciation reserve balances per books versus the balances utilized in preparing the depreciation rates per this study. The table incorporates the pending (unrecorded) retirements identified in assembling the detailed accounting data for this study.

The utilization of the recommended depreciation rates based upon the Straight Line Average Remaining Life procedure results in the setting of depreciation rates which will continuously true up the Company's level of capital recovery over the life of each asset group. Application of this procedure, which is based upon the current best estimates of

service life together with the Company's plant in service and accrued depreciation, produces annual depreciation rates that will result in the Company recovering 100 percent of its investment -- no more, no less.

It is recommended that the Company continue to apply depreciation rates and maintain its book depreciation reserve on an account-level basis. The maintenance of the book reserve on an account-level basis requires both the development of annual depreciation expense and distribution of other reserve account charges to an individual account level. Maintaining the Company's depreciation records in this detail will aid in completing various rate studies and, most importantly, clearly identifies the Company's level of capital recovery relative to each category of plant investment.

The general drivers for the proposed depreciation rates include an assessment of the Company's historical experience with regard to achieved service lives and net salvage factors. In addition, consideration is given to current and expected events which are anticipated to impact the Company's ability to recover its fixed capital costs related to utility plant utilized to provide service to the Company's customers.

The depreciation rate for each individual account changed as a result of reflecting estimates obtained through the in-depth analysis of the Company's most recent data together with an interpretation of ongoing and anticipated future events. Some of the revisions were not significant and reflected fine tuning of previously utilized depreciation rates while others were more substantial in nature. Several of the accounts did reflect more significant changes (as outlined in Section 4 of this report) from the present depreciation rates.

The most notable depreciation changes occurred relative to Account 321 - LNG

Equipment, Account 376 - Mains, Account 380 - Services, and Account 382 - Meter Installations, Account 391.2 - Office Furniture and Equipment, and Account 397.2 - Communication Equipment - Metscan Meter Interface Units.

The proposed depreciation rate for Account 376 - Mains, increased from 1.86 percent to 2.79 percent. The proposed depreciation rate is the product of changes in both the service life parameters for various property components of the account as well as a revision to the future net salvage percent. The average service lives were changed in accordance with the life indications developed via an analysis of the Company's historical data and consideration of future expectations. The proposed average service lives for each of the property categories are discussed and summarized in Section 4 of the report as well as on Table 2. Furthermore, the Company is initiating a program to replace all of its existing bare steel mains. This program will significantly shorten the remaining life of its Bare Steel Mains investment. With regard to the future net salvage estimate, net salvage for the property group was revised from negative ten (10) to negative fifteen (15) percent.

The depreciation rate for Account 380 - Services, increased from 4.42 percent to 5.08 percent. As with the Company's investment in Mains, the proposed depreciation rate is the product of changes in both the service life parameters for various property components of the account as well as a revision to the future net salvage percent. The average service lives were changed in accordance with the life indications developed via an analysis of the Company's historical data and consideration of future expectations. The proposed average service lives for each of the property categories are discussed and summarized in Section 4 of the report as well as on Table 2. Furthermore, the Company is initiating a

program to replace all of its currently existing Bare Steel Services over a fifteen (15) year period. This program will significantly shorten the remaining life of its bare steel service investment. With regard to the future net salvage estimate, net salvage for the property group was revised from negative one hundred forty (140) to negative one hundred seventy (170) percent.

The depreciation rate for Account 382 - Meter Installations, increased from 1.99 percent to 3.34 percent. The proposed depreciation rate is the product of the application of the estimated service life (which was revised from sixty (60) years to fifty-three (53) years) while the estimated future negative net salvage was increased from negative twenty (20) to negative sixty (60) percent.

The depreciation rate for Account 391.2 - Computer & IT Equipment, increased from 17.51 percent to 20.33 percent. The proposed depreciation rate increase is the product of the application of the estimated applicable service life. The depreciation rate increase occurred notwithstanding the fact that the life was revised upward from six (6) years to seven (7) years.

The depreciation rate for Account 397.2 - Communication Equipment - Metscam Meter Interface Units, increased from 12.11 percent to 24.17 percent. The depreciation rate increase is being driven by a slight reduction in the underlying service life parameters from ten (10) years to nine (9) years. However, the far larger driver behind the depreciation rate increase is the dramatic increase in the level of retirements and the corresponding reduction in the Company's book depreciation reserve for this account. The Company is rapidly eliminating the use of Metscam devices.

Conversely, the depreciation rate for Account 321 - LNG Equipment, decreased from

5.22 percent to 3.61 percent. The proposed depreciation rate is the product of the application of the estimated applicable service life (which was revised from twenty-five (25) years to twenty (27) years).

Various of the remaining account/sub-accounts experienced increases and/or declines in recommended depreciation rates to a lesser degree, as noted per Table 1 of this report. This revision in annual depreciation rates and expense is the result of both changes in the estimated service lives and salvage factors, and reflects the impact of the Company's property changes since the most recent study.

With regard to the inclusion of higher negative net salvage levels in the development of proposed depreciation rates, as noted within the discussion related to net salvage in Section 3 of the depreciation report, it is highlighted that the level of experienced net salvage should simply be a benchmark from which to estimate future net salvage. It is highly likely that the negative net salvage amounts experienced even recently will simply be the floor above which future negative net salvage levels will increase to a higher level. To appropriately and proportionately allocate the true total asset cost (original cost adjusted for net salvage) over its applicable service life, proper consideration must be given in each accounting period, to the total costs that are anticipated to occur relative to the Company's assets that provide customer service.

Applying the proposed depreciation /amortization rates to the Company's December 31, 2003 plant in service produces annual depreciation expense of \$29,240,069 which is an increase of \$5,653,655 from current depreciation rates.

The following summary compares the present and proposed composite depreciation rates for illustrative purposes only. The Composite Depreciation Rate should not be

applied to the total Company investment inasmuch as the non-proportional change in plant investment as a result of property additions or retirements would render the composite rate inappropriate. The Table 1 schedule lists the recommended annual depreciation rates for each property account.

Present Depreciation Rates

Depreciable Plant In Service at December 31, 2003	\$689,549,951
Annual Depreciation Expense	23,586,414
Composite Annual Depreciation Rate	3.42%

Proposed Depreciation Rates

Depreciable Plant In Service at December 31, 2003	\$689,549,951
Annual Depreciation Expense	29,240,069
Composite Annual Depreciation Rate	4.24%

SECTION 2

Table 1

Bay State Gas Company

Summary of Original Cost of Utility Plant in Service as of December 31, 2003
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (e)	Description (e)	Present Rates			Proposed Rates			Proposed Rates			Net Change Dep...Ex... (n)
		Original Cost 12/31/03 (e)	Rate % (e)	Annual Actual (e)	Rate % (f)	Annual Actual (g)	Rate % (h)	Annual Actual (i)	Rate % (j)	Annual Actual (k)	
DEPRECIABLE PLANT											
305	Production Equipment	2,268,907	365%	83,910.10	2.89%	68,438.41	0.00%	12,160.14	0.17%	3,908.14	3.06%
311	Structures & Improvements	4193,152	360%	163,532.92	1.56%	65,413.17	0.29%	0.00	0.00%	0.00	1.86%
320	L.P. Gas Equipment	835,037	402%	41,053.84	7.46%	62,293.80	0.00%	0.00	0.00%	0.00	7.46%
321	Other Equipment	16,636,014	5.22%	883,179.93	3.61%	538,950.11	0.00%	0.00	0.00%	0.00	3.61%
	TOTAL Production Equipment	23,863,110	4.83%	1,151,708.80	3.32%	781,085.49	0.05%	12,160.14	0.02%	3,908.14	3.35%
	Transmission and Distribution Plant										
374	(365) Rights of Way	79,051	1.98%	1,573.12	2.18%	1,723.32	0.00%	0.00	0.00%	0.00	2.18%
376.2	(366) Structures & Improvement	2108,612	302%	63,680.09	2.97%	62,825.78	0.00%	0.00	0.13%	2,741.20	3.10%
	Mains										
376.1	(367.1) Cast Iron	5,710,347	1.30%	74,234.51	2.10%	119,917.29	0.00%	0.00	0.31%	17,702.08	2.41%
	143,919,725	1.31%	1,885,346.39	2.16%	3,094,274.08	0.00%	0.00	0.38%	546,894.95	2.53%	
376.2	(367.2) Steel Mains - Coated/Wrapped	2,564,383	1.75%	44,887.20	4.18%	207,216.28	0.00%	0.00	0.56%	14,363.90	4.74%
376.3	(367.3) Steel Mains - Bare	116,579,215	1.84%	2,145,057.56	1.88%	2,191,989.25	0.00%	0.00	0.28%	338,078.72	2.17%
376.4	(367.4) Plastic Mains	19,960,594	4.74%	928,120.16	5.55%	1,086,722.97	0.00%	0.00	0.87%	170,351.17	6.42%
376.5	(367.5) Joint Seals	7,381,476	5.61%	414,100.83	6.54%	482,748.56	0.00%	0.00	1.01%	74,552.91	7.55%
376.6	(367.6) Cathodic Protection										
	Total Account 376 (367)	295,358,340	1.86%	5,491,748.65	2.39%	7,082,558.43	0.00%	0.00	0.39%	1,161,947.73	2.79%
	Services										
384.1	(368) Compressor Station Equipment	327,265	3.69%	12,076.08	5.14%	16,821.42	0.00%	0.00	0.00%	0.00	5.14%
378	(369) Meas. & Reg. Station Equip.	11,276,919	260%	283,173.90	2.68%	280,918.72	0.00%	0.00	0.13%	14,658.70	2.71%
379	Other Equipment	510,252	2.69%	13,725.77	2.64%	13,470.84	0.00%	0.00	0.00%	0.00	2.64%
	Total Account 380	217,035,285	4.42%	9,582,871.84	1.83%	3,976,811.43	0.00%	0.00	0.25%	7,043,895.39	5.08%
	2-1										
380.2	Steel - Coated/Wrapped	55,850,176	4.42%	2,468,577.78	1.37%	765,147.41	0.00%	0.00	3.35%	1,870,980.91	4.72%
380.3	Steel - Bare	543,808	4.42%	7,24,036.32	6.30%	3,259.91	0.00%	0.00	5.74%	3,214.59	12.04%
380.4	Plastic	160,471,566	4.42%	7,092,843.22	1.98%	3,177,337.01	0.00%	0.00	3.20%	5,135,080.11	5.18%
380.5	Copper	167,745	4.42%	7,444.31	0.04%	67.10	0.00%	0.00	4.00%	6,709.78	4.04%
	Total Account 380										
381	Meters	24,527,066	3.51%	880,980.00	3.94%	966,368.38	0.02%	4,905.41	0.00%	0.00	3.86%
382	Meter Installations	42,380,403	1.98%	843,370.03	1.97%	834,883.95	0.00%	0.00	1.37%	580,811.53	3.34%
383	Household Regulators	13,562,020	3.31%	448,962.85	3.51%	476,026.89	0.00%	0.00	0.55%	74,591.11	4.06%
394.3	(387) Other Equipment	1,814,797	8.74%	158,613.27	14.91%	270,588.25	0.19%	3,448.11	-0.19%	-3,448.11	14.91%
	TOTAL Trans. & Dist. Plant	609,355,021	2.92%	17,780,635.41	2.30%	13,992,813.21	0.00%	8,353.52	1.46%	8,875,384.55	3.76%
	General Plant										
375.7	(380) Structures & Improvements	6,939,631	3.51%	243,581.05	2.16%	149,896.03	-0.04%	-2,775.85	-0.02%	-1,387.93	2.10%

Table 1

Bay State Gas Company

Summary of Original Cost of Utility Plant in Service as of December 31, 2003
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/03 (c)	Present Rates		Proposed Rates		Proposed COR Rates		Total Proposed Rates		Net Change Dep. Ex. (n)
			Rate % (d)	Annual Accrued (e)	Rate % (f)	Annual Accrued (g)	Rate % (h)	Annual Accrued (i)	Rate % (j)	Annual Accrued (k)	
Office Furniture & Equipment											
391.1	Office Furniture & Equipment	3,749,589	10.74%	402,705.87	4.76%	178,480.44	0.00%	0.00	0.00%	178,480.44	-224,225.43
391.2	Computer & IT Equipment	7,481,633	17.51%	1,310,044.43	20.33%	1,521,028.16	0.00%	0.00	0.00%	1,521,028.16	210,985.73
	Total Account 391	11,231,222	15.23%	1,712,750.29	15.13%	1,689,508.60	0.00%	0.00	0.00%	15.13%	1,699,508.60
											-13,241.69
392	Transportation Equipment	2,638,838	9.73%	266,758.72	14.22%	375,242.45	-0.35%	-9,235.93	0.00%	0.00	13.87%
393	Stores Equipment	50,473	7.89%	3,982.28	11.41%	5,758.92	0.00%	0.00	0.00%	5,758.92	108,247.80
394	Tools, Shop & Garage Equipment	1,709,378	4.02%	68,717.00	4.41%	76,383.57	0.00%	0.00	0.00%	76,383.57	1,776.84
398	Power Operated Equipment	489,1503	8.67%	42,439.90	11.90%	58,250.84	0.31%	1,517.48	0.00%	0.00	12.21%
	Communication Equipment	7,033,594	6.31%	373,483.88	6.80%	478,284.42	0.00%	0.00	0.00%	0.00	6.80%
397.1	Communication Equipment	6,419,326	12.11%	777,380.39	24.17%	1,551,551.11	0.00%	0.00	0.00%	0.00	24.17%
397.2	Meters/Meter Interface Units										1,551,551.11
	Total Account 397	13,452,920	8.55%	1,150,864.25	15.09%	2,026,835.63	0.00%	0.00	0.00%	0.00	174,170.72
398	Miscellaneous Equipment	25,220	6.30%	1,588.88	5.00%	1,281.02	0.00%	0.00	0.00%	0.00	15.08%
	TOTAL General Plant	36,537,243	9.53%	3,480,682.39	12.03%	4,395,136.96	-0.03%	-10,494.32	0.00%	-1,387.93	12.00%
	Sub-TOTAL Depreciable Plant	689,755,374	3.35%	22,413,024.59	2.86%	19,179,045.66	0.00%	10,019.34	1.33%	8,877,614.76	4.19%
A-MORTIZATION ACCOUNTS (Not Shaded)											
386.0	Water Heaters	11,496,984	7.06%	811,685.64	40,224.49					7.06%	811,685.64
386.2	Boilers	569,752	7.08%	321,479.02						7.08%	40,224.49
386.3	Conversion Burners	7,727,861	4.16%							4.16%	321,479.02
	TOTAL Depreciable Plant	689,549,951	3.42%	23,586,413.74	2.78%	19,179,045.66	0.00%	10,019.34	1.28%	8,877,614.76	4.24%
	NON-DEPRECIABLE PLANT										
301	Organization	4,432,919									
303	Miscellaneous Intangible Plant	478,038,239									
304	Land & Land Rights - Production	412,552									
374.1	(365.1) Land & Land Rights - Distribution	219,041									
389	Land & Land Rights - General	172,321									
	TOTAL Non-Depreciable Plant	453,275,111									
	TOTAL Utility Plant in Service	1,112,825,062									

Table 1a

Bay State Gas Company

Calculation of Cost of Removal In Book Depreciation Reserve as of December 31, 2003 Based Upon Theoretical Depreciation Reserves (By Location and Account) Using Existing Depreciation Parameters

Account No. (a)	Description (b)	Historical							
		Original Cost 12/31/03 (c)	A.S.L./ Curve (d)	Net Salvage % (e)	Total Book Depr Reserve 12/31/03 (f)	Cost of Removal In Book Res. (g)	Gross Salvage In Book Res. (h)	Plant Only Depr Reserve 12/31/03 (k)	
DEPRECIABLE PLANT									
Production Equipment									
305	Structures & Improvements	2,298,906.89	55-S1.5 (1)	-5%	1,463,911.82	62,877.01	0.00	1,401,034.81	
311	L.P. Gas Equipment	4,193,151.80	30-R4	5%	3,163,263.56	0.00	(162,883.47)	3,316,127.03	
320	Other Equipment	635,037.49	24-R3	0%	280,891.71	0.00	0.00	280,891.71	
321	LNG Equipment	16,536,014.07	25-R3	0%	4,483,146.57	0.00	0.00	4,483,146.57	
	TOTAL Production Equipment	23,883,110.25			9,381,013.66	62,877.01	-162,863.47	9,481,000.12	
Transmission and Distribution Plant									
374	(365) Rights of Way	79,051.37	75-R3	0%	0.00	0.00	0.00	0.00	
375.2	(366) Structures & Improvement	2,108,812.14	55-R3 (1)	-5%	1,481,441.60	73,624.32	0.00	1,387,817.28	
Mains									
376.1	(367.1) Cast Iron	5,710,347.02	80-R3	-10%	2,544,863.66	339,912.07	0.00	2,204,951.59	
376.2	(367.2) Steel Mains - Coated/Wrapped	143,919,724.75	85-R3	-10%	45,310,714.67	3,673,970.28	0.00	41,636,744.41	
376.3	(367.3) Steel Mains - Bare	2,564,982.88	70-R4	-10%	1,528,719.76	217,586.97	0.00	1,311,132.79	
376.4	(367.4) Plastic Mains	116,579,215.34	60-R3	-10%	16,611,784.81	1,654,306.80	0.00	14,957,479.01	
376.5	(367.5) Joint Seals	19,580,594.04	24-R4	-10%	7,176,492.31	854,222.55	0.00	6,322,269.76	
376.6	(367.6) Cathodic Protection	7,381,476.44	20-R5	-10%	2,415,227.48	298,832.55	0.00	2,118,394.93	
	Total Account 376 (367)	295,736,340.47			76,587,802.69	7,036,830.20	0.00	68,550,972.49	
394.1	(368) Compressor Station Equipment	327,265.05	26-R2	0%	238,059.12	0.00	0.00	238,059.12	
378	(369) Meas. & Reg. Station Equip.	11,275,919.37	39-R3	-5%	3,330,869.17	154,597.34	0.00	3,176,271.83	
379	Other Equipment	510,251.60	35-R3	0%	209,902.34	0.00	0.00	209,902.34	
Services									
380.2	Steel - Coated/Wrapped	55,850,176.27	55-R3	-140%	60,119,215.56	30,606,557.19	0.00	29,512,658.37	
380.3	Steel - Bare	543,808.14	60-R4	-140%	924,473.84	665,171.85	0.00	259,302.19	
380.4	Plastic	160,471,566.05	55-R3	-140%	54,730,868.37	39,013,709.35	0.00	16,717,167.02	
380.5	Copper	167,744.59	55-R3	-140%	313,231.50	146,847.84	0.00	166,383.86	
	Total Account 380	217,033,295.05			116,087,787.27	70,432,285.83	0.00	45,665,501.44	
381	Meters	24,527,065.54	29-R5	5%	9,486,755.98	0.00	(645,882.53)	10,032,738.51	
382	Meter Installations	42,380,403.42	60-R2.5	-20%	9,736,768.97	1,562,526.81	0.00	8,174,242.16	
383	House Regulators	13,562,019.77	32-R5	0%	4,955,322.40	0.00	0.00	4,955,322.40	
394.3	(387) Other Equipment	1,814,797.11	13-L3	0%	515,594.73	16,919.20	(16,919.28)	515,594.72	
	TOTAL Trans. & Distr. Plant	609,355,020.89			221,610,304.27	79,276,783.79	-562,901.81	142,896,422.29	
General Plant									
375.7	(390) Structures & Improvements	6,939,631.18	90-R1 (1)	3%	1,941,038.72	50,348.17	(125,870.43)	2,016,560.98	
Office Furniture & Equipment									
391.1	Office Furniture & Equipment	3,749,589.10	10-R3	0%	3,089,806.00	0.00	0.00	3,089,806.00	
391.2	Computer & IT Equipment	7,481,692.89	6-R4	0%	3,222,916.13	0.00	0.00	3,222,916.13	
	Total Account 391	11,231,281.99			6,312,722.13	0.00	0.00	6,312,722.13	
392	Transportation Equipment	2,638,835.77	10-R3	10%	1,329,581.50	0.00	(183,612.29)	1,513,193.79	
393	Stores Equipment	50,472.55	23-R3	0%	-5,950.26	0.00	0.00	-5,950.26	
394	Tools, Shop & Garage Equipment	1,709,378.09	17-R3	0%	743,755.51	0.00	0.00	743,755.51	
396	Power Operated Equipment	489,502.88	12-R3	5%	222,782.71	0.00	(16,344.40)	238,127.11	
Communication Equipment									
397.1	Communication Equipment	7,033,594.41	20-R3	0%	2,254,128.19	0.00	0.00	2,254,128.19	
397.2	Metscan Meter Interface Units	6,419,326.08	10-S3	0%	833,935.34	0.00	0.00	833,935.34	
	Total Account 397	13,452,920.49			3,088,063.53	0.00	0.00	3,088,063.53	
398	Miscellaneous Equipment	25,220.35	18-L1.5	0%	12,366.29	0.00	0.00	12,366.29	
	TOTAL General Plant	36,537,243.30			13,644,360.13	50,348.17	-325,827.12	13,919,839.08	
	Sub-TOTAL Depreciable Plant	669,755,374.44			244,635,678.06	79,390,008.97	-1,051,592.40	166,297,261.49	

Table 1a

Bay State Gas Company

Calculation of Cost of Removal In Book Depreciation Reserve as of December 31, 2003 Based Upon Theoretical Depreciation Reserves (By Location and Account) Using Existing Depreciation Parameters

Account No. (a)	Description (b)	Historical				Cost of Removal In Book Res. (l)	Gross Salvage In Book Res. (j)	Plant Only Depr Reserve 12/31/03 (k)
		Original Cost 12/31/03 (c)	A.S.L./ Curve (d)	Net Salvage % (e)	Total Book Depr Reserve 12/31/03 (h)			
AMORTIZATION ACCOUNTS (Not Studied)								
386.0	Water Heaters	11,496,963.72			1,933,967.50			
386.2	Boilers	569,752.00			1,120,110.07			
386.3	Conversion Burners	7,727,861.00			403,724.49			
	TOTAL Depreciable Plant	689,549,951.16			248,093,480.12	79,390,008.97	-1,051,592.40	166,297,281.49
NON-DEPRECIABLE PLANT								
301	Organization	4,432,918.56			3,312,989.01			
303	Miscellaneous Intangible Plant	478,038,238.89			71,921,999.93			
304	Land & Land Rights - Production	412,591.77			0.00			
374.1	(365.1) Land & Land Rights - Distribution	219,040.69			0.00			
389	Land & Land Rights - General	172,320.91			0.00			
	TOTAL Non-Depreciable Plant	483,275,110.82			75,234,988.94	0.00	0.00	0.00
	TOTAL Utility Plant in Service	1,172,825,061.98			323,328,469.06	79,390,008.97	-1,051,592.40	166,297,281.49

(1) Life Span Method Utilized. Interim Retirement Rate. Service Lives Vary.

Summary	% of Depr Reserve
Total: Depr. Book Depr Reserve 12-31-03	248,093,480.12
Less: Account 386.2	<u>3,457,802.06</u>
Total Book Depr Resr. 12-31-03 (Net of 386.2)	244,635,678.06
Plant Only Depr Reserve 12-31-03	166,297,261.49
Gross Salvage Depr Reserve 12-31-03	-1,051,592.40
Cost of Removal Depr Reserve 12-31-03	79,390,008.97

Table 2 - Plant Only

Bay State Gas Company

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2003**

Account No. (a)	Description (b)	Original Cost 12/31/02/03 (c)	Estimated Future Net Salvage % (d)	Original Cost Less Salvage (e)	Book Depreciation Reserve (f)	Net Original Cost Less Salvage (g)	A.S.L./ Survivor Curve (h)	Average Remaining Life (i)	Annual Depreciation Accrual (k)	Annual Depreciation Rate (l)
	DEPRECIABLE PLANT									
	Production Equipment	2,298,906.89	0%	0.00	2,298,906.89	1,401,034.81	897,872.08 (1)	42-L3	13.5	66,509.04 2.89%
305	Structures & Improvements	4,193,151.80	0%	0.00	4,193,151.80	3,316,127.03	877,024.77	36-R2.5	13.4	65,449.61 1.56%
311	L.P. Gas Equipment	835,037.49	0%	0.00	835,037.49	280,691.71	554,345.78	20-R4	8.9	62,286.04 7.46%
320	Other Equipment	16,536,014.07	0%	0.00	16,536,014.07	4,483,146.57	12,052,867.50	27-R4	20.2	596,676.61 3.61%
321	LNG Equipment									
	TOTAL Production Equipment	23,863,110.25	0%	0.00	23,863,110.25	9,481,000.12	14,382,110.13		790,921.30	3.31%
	Transmission and Distribution Plant									
374	(365) Rights of Way	79,051.37	0%	0.00	79,051.37	0.00	79,051.37	76-R3	45.9	1,722.25 2.18%
375.2	(366) Structures & Improvement	2,108,612.14	0%	0.00	2,108,612.14	1,387,817.28	720,794.86 (1)	54-L3	11.5	62,677.81 2.97%
	Mains									
376.1	(367.1) Cast Iron	5,710,347.02	0%	0.00	5,710,347.02	2,204,951.59	3,505,395.43	75-R2	28.3	119,638.07 2.10%
376.2	(367.2) Steel Mains - Coated/Wrapped	143,919,724.75	0%	0.00	143,919,724.75	41,636,744.41	102,282,980.34	55-R4	33.0	3,099,484.25 2.15%
376.3	(367.3) Steel Mains - Bare	2,584,982.88	0%	0.00	2,584,982.88	1,311,132.79	1,253,850.09	74-R3	11.7	107,186.67 4.18%
376.4	(367.4) Plastic Mains	116,579,215.34	0%	0.00	116,579,215.34	14,957,479.01	101,621,736.33	55-S2	46.3	2,194,853.92 1.88%
376.5	(367.5) Joint Seals	19,580,594.04	0%	0.00	19,580,594.04	6,322,289.76	13,258,324.28	23-R6	12.2	1,086,747.89 5.55%
376.6	(367.6) Cathodic Protection	7,381,476.44	0%	0.00	7,381,476.44	2,116,384.93	5,263,081.51	19-S5	10.9	482,851.51 6.54%
	Total Account 376 (367)	295,735,340.47	0%	0.00	295,736,340.47	68,550,972.49	227,185,367.98		7,090,742.32	2.40%
	Compressor Station Equipment									
394.1	(368) Compressor Station Equipment	327,265.05	0%	0.00	327,265.05	238,059.12	89,205.93	22-R2.5	6.3	16,831.31 6.14%
378	(369) Meas. & Reg. Station Equip.	11,275,919.37	0%	0.00	11,275,919.37	3,176,271.83	8,099,647.54	39-R4	27.8	291,354.23 2.58%
379	Other Equipment	510,251.60	0%	0.00	510,251.60	209,902.34	300,349.26	35-R3	22.3	13,488.58 2.64%
	Services									
380.2	Steel - Coated/Wrapped	55,850,176.27	0%	0.00	55,850,176.27	29,512,658.37	26,337,617.90	66-R3	34.4	765,625.52 1.37%
380.3	Steel - Bare	543,808.14	0%	0.00	543,808.14	259,302.19	284,505.95	60-R4	8.3	34,277.83 6.30%
380.4	Plastic	160,471,566.06	0%	0.00	160,471,566.06	15,717,157.02	144,754,409.03	55-R3	45.5	3,181,415.58 1.98%
380.5	Copper	167,744.59	0%	0.00	167,744.59	166,383.86	1,360.73	55-R3	20.6	66.05 0.04%
	Total Account 380	217,033,295.05	0%	0.00	217,033,295.05	45,655,501.44	171,377,793.61		3,981,384.98	1.83%

Table 2 - Plant Only

Bay State Gas Company

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserves and Average Remaining Lives as of December 31, 2003**

Account No.	Description (b)	Original Cost 12/31/02/3 (c)	Estimated Future Net Salvage % (d)	Original Cost Less Salvage (e)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrued (k)	Annual Depreciation Rate (l)	
381	Meters Meter Installations	24,527,085.54	0%	24,527,085.54	10,032,738.51	14,494,327.03	28-S6	16.0	986,288.47	3.94%	
382		42,380,403.42	0%	42,380,403.42	8,174,242.16	34,206,161.26	63-S3	41.0	834,286.62	1.97%	
383	House Regulators	13,562,019.77	0%	0.00	4,985,322.40	8,606,697.37	31-S6	18.1	475,508.14	3.51%	
394.3	(387) Other Equipment	1,814,797.11	0%	0.00	1,814,797.11	515,594.72	11-L4	4.8	27,067.16	14.91%	
	TOTAL Trans. & Distr. Plant	609,355,020.89	0%	0.00	609,355,020.89	142,898,422.29	486,458,588.60		14,004,941.87	2.30%	
375.7	General Plant	6,939,631.18	0%	0.00	6,939,631.18	2,016,560.98	4,923,070.20 (1)	90-R1.5	32.9	146,837.39	2.16%
391.1	Office Furniture & Equipment	3,749,589.10	0%	0.00	3,749,589.10	3,089,806.00	659,783.10	94.3	3.7	178,319.76	4.76%
391.2	Computer & IT Equipment	7,481,692.89	0%	0.00	7,481,692.89	3,222,916.13	4,258,776.76	7-R4	2.8	1,520,991.70	20.33%
	Total Account 391	11,231,281.99	0%	0.00	11,231,281.99	6,312,722.13	4,918,559.86			1,688,311.46	15.13%
392	Transportation Equipment	2,638,835.77	0%	0.00	2,638,835.77	1,613,193.79	1,125,641.98	10-R3	3.0	375,213.99	14.22%
393	Stores Equipment	50,472.55	0%	0.00	50,472.55	-5,950.26	56,422.81	19-R3	9.8	5,757.43	11.41%
394	Tools, Shop & Garage Equipment	1,709,378.09	0%	0.00	1,709,378.09	743,755.51	965,622.58	21-R3	12.8	75,439.26	4.41%
396	Power Operated Equipment	489,502.88	0%	0.00	489,502.88	239,127.11	250,375.77	13-R3	4.3	58,226.92	11.90%
397.1	Communication Equipment	7,033,594.41	0%	0.00	7,033,594.41	2,254,128.19	4,779,466.22	17-R2	10.0	477,946.62	6.80%
397.2	Communication Meter Interface Units	6,419,326.08	0%	0.00	6,419,326.08	833,935.34	5,585,350.74	9-R5	3.6	1,551,497.43	24.17%
	Total Account 397	13,452,920.49	0%	0.00	13,452,920.49	3,088,063.53	10,364,886.96			2,029,444.05	15.09%
398	Miscellaneous Equipment	25,220.35	0%	0.00	25,220.35	12,366.29	12,884.06	18-L1.5	10.2	1,260.20	5.00%
	TOTAL General Plant	36,537,243.30	0%	0.00	36,537,243.30	13,919,839.08	22,817,404.22			4,394,280.71	12.03%
	Sub-TOTAL Depreciable Plant	669,755,374.44	0%	0.00	669,755,374.44	166,297,261.49	503,458,112.95			19,190,153.89	2.87%

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Table 2 - Plant Only

Bay State Gas Company

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2003**

Account No. (a)	Description (b)	Original Cost 12/31/023 (c)	Estimated Future Net Salvage % (d)	Original Cost Less Salvage (e)	Book Depreciation Reserve (f)	Net Original Cost Less Salvage (g)	A.S.L./ Survivor Curve (h)	Average Remaining Life (i)	Annual Depreciation Accrual (k)	Annual Depreciation Rate (l)
386.0	Water Heaters	11,496,963.72								
386.2	Boilers	589,752.00								
386.3	Conversion Burners	7,727,861.00								
	TOTAL Depreciable Plant	689,549,951.16								
	NON-DEPRECIABLE PLANT									
301	Organization	4,432,918.56								
303	Miscellaneous Intangible Plant	478,038,238.89								
304	Land & Land Rights - Production	412,591.77								
374.1	(365.1) Land & Land Rights - Distribution	219,040.69								
389	Land & Land Rights - General	172,320.91								
	TOTAL Non-Depreciable Plant	483,275,110.82								
	TOTAL Utility Plant in Service	1,172,826,061.98								

(1) Life Span Method Utilized. Interim Retirement Rate. Service Lives Vary.

Bay State Gas Company

Table 2 - Gross Salvage

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2003**

Account No. (a)	Description (b)	Original Cost 12/31/03 (c)	Estimated Future Net Salvage Amount (d)	Original Cost Less Salvage (e)	Book Depreciation Reserve (f)	Net Original Cost Less Salvage (g)	A.S.L./ Survivor Curve (h)	Average Remaining Life (i)	Annual Depreciation Accrual (k)	Annual Depreciation Rate (l)
	DEPRECIABLE PLANT									
	<u>Production Equipment</u>									
305	Structures & Improvements	2,298,906.89	0%	0.00	2,298,906.89	0.00	42-L3	13.5	0.00	0.00%
311	L.P. Gas Equipment	4,193,151.80	0%	0.00	4,193,151.80	-162,863.47	36-R2.5	13.4	12,153.99	0.29%
320	Other Equipment	835,037.49	0%	0.00	835,037.49	0.00	20-R4	8.9	0.00	0.00%
321	LNG Equipment	16,536,014.07	0%	0.00	16,536,014.07	0.00	27-R4	20.2	0.00	0.00%
	TOTAL Production Equipment	23,863,110.25	0%	0.00	23,863,110.25	-162,863.47			12,153.99	0.05%
	<u>Transmission and Distribution Plant</u>									
	<u>(365) Rights of Way</u>									
374	(365) Structures & Improvement	79,051.37	0%	0.00	79,051.37	0.00	75-R3	45.9	0.00	0.00%
375.2		2,108,612.14	0%	0.00	2,108,612.14	0.00	54-L3	11.6	0.00	0.00%
	Total Account 376 (387)	295,736,340.47	0%	0.00	295,736,340.47	0.00			0.00	0.00%
	<u>Mains</u>									
376.1	(367.1) Cast Iron	5,710,347.02	0%	0.00	5,710,347.02	0.00	75-R2	29.3	0.00	0.00%
376.2	(367.2) Steel Mains - Coated/Wrapped	143,919,724.75	0%	0.00	143,919,724.75	0.00	55-R4	33.0	0.00	0.00%
376.3	(367.3) Steel Mains - Bare	2,564,982.88	0%	0.00	2,564,982.88	0.00	74-R3	11.7	0.00	0.00%
376.4	(367.4) Plastic Mains	116,579,215.34	0%	0.00	116,579,215.34	0.00	55-S2	46.3	0.00	0.00%
376.5	(367.5) Joint Seals	19,680,694.04	0%	0.00	19,580,594.04	0.00	23-R5	12.2	0.00	0.00%
376.6	(367.6) Cathodic Protection	7,381,476.44	0%	0.00	7,381,476.44	0.00	19-S5	10.9	0.00	0.00%
	Total Account 376 (387)	295,736,340.47	0%	0.00	295,736,340.47	0.00			0.00	0.00%
	<u>(368) Compressor Station Equipment</u>									
394.1	(369) Meas. & Reg. Station Equip.	327,265.05	0%	0.00	327,265.05	0.00	22-R2.6	6.3	0.00	0.00%
378	Other Equipment	11,275,919.37	0%	0.00	11,275,919.37	0.00	39-R4	27.8	0.00	0.00%
	Total Account 380	510,251.60	0%	0.00	510,251.60	0.00	35-R3	22.3	0.00	0.00%
	<u>Surfaces</u>									
380.2	Steel - Coated/Wrapped	55,850,176.27	0%	0.00	55,850,176.27	0.00	56-R3	34.4	0.00	0.00%
380.3	Steel - Bare	543,808.14	0%	0.00	543,808.14	0.00	60-R4	8.3	0.00	0.00%
380.4	Plastic	160,471,566.05	0%	0.00	160,471,566.05	0.00	55-R3	45.5	0.00	0.00%
380.5	Copper	167,744.59	0%	0.00	167,744.59	0.00	55-R3	20.6	0.00	0.00%
	Total Account 380	217,033,295.05	0%	0.00	217,033,295.05	0.00			0.00	0.00%

Bay State Gas Company

Table 2 - Gross Salvage

**Summary of Original Cost of Utility Plant In Service and Calculation of
Annual Depreciation Rates and Depreciation Expenses Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2003**

Account No.	Description (b)	Original Cost 12/31/03	Estimated Future Net Salvage % (c)	Original Cost Leases Salvage (d) Amount	Book Depreciation Reserve (e) Original Cost Less Salvage	Book Depreciation Reserve (f) Original Cost Less Salvage	A.S.L./ Survivor Curve (g) Remaining Life	Annual Depreciation Accrual (h) Original Cost Less Salvage	Annual Depreciation Rate (i) Original Cost Less Salvage
381	Meters	24,527,085.54	2%	490,541.31	24,036,524.23	-545,982.63	28-S6	15.0	3,686.08 0.02%
382	Meter Installations	42,380,403.42	0%	0.00	42,380,403.42	0.00	53-S3	41.0	0.00 0.00%
383	House Regulators	13,562,019.77	0%	0.00	13,562,019.77	0.00	31-S6	18.1	0.00 0.00%
	(387) Other Equipment	1,814,787.11	0%	0.00	1,814,787.11	-16,919.28	11-L4	4.8	3,524.85 0.19%
	TOTAL Trans. & Distr. Plant	609,355,020.69	0%	490,541.31	608,864,479.58	-662,901.81	72,360.50	7,220.93	0.00%
	General Plant	6,939,631.18	3%	208,188.94	6,731,442.24	-125,870.43	-82,318.51 (1)	90-R1.5	32.9
375.7	(380) Structures & Improvements								-2,502.08 -0.04%
	Office Furniture & Equipment	3,749,568.10	0%	0.00	3,749,568.10	0.00	0.00	9-L3	3.7
391.1	Office Furniture & Equipment	3,748,692.89	0%	0.00	7,481,692.89	0.00	0.00	7-R4	2.8
391.2	Computer & IT Equipment								
	Total Account 391	11,231,281.99	0%	0.00	11,231,281.99	0.00	0.00	0.00	0.00%
	Transportation Equipment	2,638,835.77	8%	211,106.86	2,427,728.91	-183,612.29	-27,494.57	10-R3	3.0
392	Stores Equipment	50,472.55	0%	0.00	50,472.55	0.00	0.00	19-R3	9.8
393	Tools, Shop & Garage Equipment	1,709,378.09	0%	0.00	1,709,378.09	0.00	0.00	21-R3	12.8
394	Power Operated Equipment	489,502.88	2%	9,798.06	479,712.82	-16,344.40	6,554.34	13-R3	4.3
	Communication Equipment	7,033,594.41	0%	0.00	7,033,594.41	0.00	0.00	17-R2	10.0
397.1	Communication Equipment	6,419,326.08	0%	0.00	6,419,326.08	0.00	0.00	9-R5	3.6
397.2	Metscan Meter Interface Units								
	Total Account 397	13,452,920.49	0%	0.00	13,452,920.49	0.00	0.00	0.00	0.00%
	Miscellaneous Equipment	25,220.35	0%	0.00	25,220.35	0.00	0.00	18-L1.5	10.2
398	TOTAL General Plant	36,537,243.30	1%	429,085.86	36,108,157.44	-325,827.12	-103,259.74		-10,142.67 -0.03%
	Sub-TOTAL Depreciable Plant	669,755,374.44	0%	919,627.17	668,835,747.27	-1,081,592.40	131,965.23	9,232.25	0.00%

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Table 2 - Gross Salvage

Bay State Gas Company

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2003**

Account No. (a)	Description (b)	Original Cost 12/31/023 (c)	Estimated Future Net Salvage % (d)	Original Cost Less Salvage Amount (e)	Book Depreciation Reserve (f)	Net Original Cost Less Salvage (g)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Actual (k)	Annual Depreciation Rate (l)
AMORTIZATION ACCOUNTS (Not Studied)										
386.0	Water Heaters	11,496,963.72								
386.2	Boilers	569,752.00								
386.3	Conversion Burners	7,727,851.00								
	TOTAL Depreciable Plant	689,549,951.16								
NON-DEPRECIABLE PLANT										
301	Organization	4,432,918.56								
303	Miscellaneous Intangible Plant	478,038,238.89								
304	Land & Land Rights - Production	412,591.77								
374.1	(365.1) Land & Land Rights - Distribution	219,040.69								
389	Land & Land Rights - General	172,320.91								
	TOTAL Non-Depreciable Plant	483,275,110.82								
	TOTAL Utility Plant in Service	1,172,825,061.98								

(1) Life Span Method Utilized. Interim Retirement Rate. Service Lives Vary.

Table 2 - COR

Bay State Gas Company

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2003**

Account No. (a)	Description (b)	Original Cost 12/31/03 (c)	Estimated Future Net Salvage Amount (d)	% (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depreciation Rate (l)
	DEPRECIABLE PLANT										
	<u>Production Equipment</u>										
305	Structures & Improvements	2,298,806.89	-6%	-114,945.34	2,413,852.23	62,877.01	52,068.33 (1)	42-L3	13.5	3,856.91	0.17%
311	L.P. Gas Equipment	4,193,151.80	0%	0.00	4,193,151.80	0.00	0.00	36-R2.5	13.4	0.00	0.00%
320	Other Equipment	835,037.49	0%	0.00	835,037.49	0.00	0.00	20-R4	8.9	0.00	0.00%
321	LNG Equipment	16,538,014.07	0%	0.00	16,538,014.07	0.00	0.00	27-R4	20.2	0.00	0.00%
	TOTAL Production Equipment	23,863,110.26	0%	-114,945.34	23,978,055.68	62,877.01	52,068.33			3,856.91	0.02%
	<u>Transmission and Distribution Plant</u>										
374	(365) Rights of Way	79,051.37	0%	0.00	79,051.37	0.00	0.00	75-R3	45.8	0.00	0.00%
375.2	(366) Structures & Improvement	2,105,612.14	-5%	-105,430.61	2,214,042.75	73,624.32	31,806.29 (1)	54-L3	11.5	2,765.76	0.13%
	Mains										
376.1	(367.1) Cast Iron	5,710,347.02	-15%	-858,552.05	6,566,899.07	339,912.07	516,639.98	75-R2	29.3	17,632.76	0.31%
376.2	(367.2) Steel Mains - Coated/Wrapped	143,919,724.75	-15%	-21,587,958.71	165,507,663.46	3,673,970.26	17,913,988.45	55-R4	33.0	542,848.13	0.38%
376.3	(367.3) Steel Mains - Bare	2,584,982.88	-15%	-384,747.43	2,949,730.31	217,626.97	167,160.46	74-R3	11.7	14,287.22	0.56%
376.4	(367.4) Plastic Mains	116,579,215.34	-16%	-17,498,882.30	134,068,097.64	1,654,305.80	15,832,576.60	55-S2	46.3	341,956.30	0.38%
376.5	(367.5) Joint Seals	19,580,984.04	-15%	-2,937,089.11	22,517,683.15	854,222.55	2,082,866.56	23-R5	12.2	170,726.77	0.97%
376.6	(367.6) Cathodic Protection	7,381,476.44	-15%	-1,107,221.47	8,488,697.91	296,832.55	810,388.92	19-S5	10.9	74,347.61	1.01%
	Total Account 376 (387)	295,736,340.47	-15%	-44,360,451.07	340,086,791.54	7,036,830.20	37,323,620.87			1,161,798.79	0.39%
	<u>Services</u>										
384.1	(368) Compressor Station Equipment	327,265.05	0%	0.00	327,265.05	0.00	0.00	22-R2.5	5.3	0.00	0.00%
378	(369) Meas. & Reg. Station Equip.	11,275,919.37	-5%	-563,795.97	11,839,715.34	154,597.34	409,198.63	39-R4	27.8	14,719.38	0.13%
379	Other Equipment	510,251.60	0%	0.00	510,251.60	0.00	0.00	35-R3	22.3	0.00	0.00%
	Total Account 380	217,033,285.05	-17%	#####	#####	#####	585,989,896.64	70,432,285.83	298,524,315.76	7,046,464.76	3.25%
380.2	Steel - Coated/Wrapped	55,850,176.27	-170%	-94,945,289.66	150,795,475.93	30,606,557.19	64,338,742.47	56-R3	34.4	1,870,312.28	3.35%
380.3	Steel - Bare	543,808.14	-170%	-924,473.84	1,468,281.98	665,171.65	259,302.19	60-R4	8.3	31,241.23	5.74%
380.4	Plastic	180,471,568.05	-170%	#####	433,273,228.34	39,013,709.35	233,787,982.94	55-R3	46.5	5,138,196.77	3.20%
380.5	Copper	167,744.59	-170%	-285,165.80	452,910.39	146,847.64	138,318.16	55-R3	20.6	6,714.47	4.00%

Table 2 - COR

Bay State Gas Company

**Summary of Original Cost of Utility Plant In Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2003**

Account No.	Description	Original Cost 12/31/03 (c)	Estimated Future Net Salvage % (d)	Original Cost Less Salvage Amount (e)	Book Depreciation Reserve (f)	Net Original Cost Less Salvage (g)	A.S.L./ Survivor Curve (h)	Average Remaining Life (i)	Annual Depreciation Accrued (k)	Annual Depreciation Rate (l)	
381	Meters	24,527,065.54	0%	0.00	24,527,065.54	0.00	28-S6	16.0	0.00	0.00%	
382	Meter Installations	42,380,403.42	-60%	-25,420,242.05	6,808,645.47	1,562,526.81	53-S3	41.0	682,050.62	1.37%	
383	House Regulators	13,562,019.77	-10%	-1,356,201.98	14,918,221.75	0.00	1,356,201.98	31-S6	18.1	74,928.29	0.55%
394.3	(387) Other Equipment	1,814,797.11	0%	0.00	1,814,797.11	16,919.29	-16,919.29	11-L4	4.8	-3,524.85	-0.19%
	TOTAL Trans. & Distr. Plant	609,355,020.89	-72%	#####	1,050,125,744.16	79,276,783.79	361,493,939.48		8,879,242.73	1.46%	
	General Plant	6,939,631.18	0%	0.00	6,939,631.18	50,348.17	-50,348.17 (1)	90-R1.5	32.9	-1,530.34	-0.02%
375.7	(390) Structures & Improvements										
	Office Furniture & Equipment										
391.1	Office Furniture & Equipment	3,749,589.10	0%	0.00	3,749,589.10	0.00	0.00	9-L3	3.7	0.00	0.00%
391.2	Computer & IT Equipment	7,481,652.89	0%	0.00	7,481,652.89	0.00	0.00	7-R4	2.8	0.00	0.00%
	Total Account 391	11,231,281.99	0%	0.00	11,231,281.99	0.00	0.00		0.00	0.00	0.00%
	Transportation Equipment										
392	2,638,835.77	0%	0.00	2,638,835.77	0.00	0.00	10-R3	3.0	0.00	0.00%	
393	50,472.55	0%	0.00	50,472.55	0.00	0.00	19-R3	9.8	0.00	0.00%	
394	1,709,378.09	0%	0.00	1,709,378.09	0.00	0.00	21-R3	12.8	0.00	0.00%	
396	489,502.88	0%	0.00	489,502.88	0.00	0.00	13-R3	4.3	0.00	0.00%	
	Communication Equipment										
397.1	Communication Equipment	7,033,584.41	0%	0.00	7,033,584.41	0.00	0.00	17-R2	10.0	0.00	0.00%
397.2	Metscan Meter Interface Units	6,419,326.08	0%	0.00	6,419,326.08	0.00	0.00	9-R5	3.6	0.00	0.00%
	Total Account 397	13,452,920.49	0%	0.00	13,452,920.49	0.00	0.00		0.00	0.00	0.00%
	Miscellaneous Equipment										
398		25,220.35	0%	0.00	25,220.35	0.00	0.00	18-L1.5	10.2	0.00	0.00%
	TOTAL General Plant	36,537,243.30	0%	0.00	36,537,243.30	50,348.17	-50,348.17		-1,530.34	0.00	0.00%
	Sub-TOTAL Depreciable Plant	669,755,374.44	-66%	#####	1,110,641,043.05	79,390,008.97	361,493,939.64		8,881,569.30	1.33%	

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Table 2 - COR

Bay State Gas Company

**Summary of Original Cost of Utility Plant In Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2003**

Account No.	Description (b)	Original Cost 12/31/03 (c)	Estimated Future Net Salvage Amount (d)	Original Cost Less Salvage (e)	Book Depreciation Reserve (f)	Net Original Cost Less Salvage (g)	A.S.L./ Survivor Curve (h)	Average Remaining Life (i)	Annual Depreciation Accrual (k)	Annual Depreciation Rate (l)
AMORTIZATION ACCOUNTS [Not Studied]										
386.0	Water Heaters	11,496,963.72								
386.2	Boilers	569,752.00								
386.3	Conversion Burners	7,727,861.00								
	TOTAL Depreciable Plant	689,549,951.16								
NON-DEPRECIABLE PLANT										
301	Organization	4,432,918.56								
303	Miscellaneous Intangible Plant	478,038,238.89								
304	Land & Land Rights - Production	412,591.77								
374.1	(365.1) Land & Land Rights - Distribution	219,040.69								
389	Land & Land Rights - General	172,320.91								
	TOTAL Non-Depreciable Plant	483,276,110.82								
	TOTAL Utility Plant in Service	1,172,825,081.98								

(1) Life Span Method Utilized. Interim Retirement Rate. Services Lives Vary.

Table 3

Bay State Gas Company

Allocation of Book Depreciation Reserves For Selected Accounts as of
December 31, 2003 Based Upon Calculated Depreciation Reserves as of
December 21, 2003

Acct. No. (a)	Account Description (b)	Original Cost 12-31-03 (c)	A.S.L./ Survivor Curve (d)	Salvage % (e)	Theoretical Depreciation Reserve (f)	Total Sub-Acc Book Depr. Reserve Allocation (g)	Non-Allocated Book Reserve (h)	Total Book Reserve 12-31-03 (i)
DEPRECIABLE PLANT								
Production Equipment								
305	Structures & Improvements	2,298,906.88	42-L3	-5%		1,463,912	1,463,911.82	
311	L.P. Gas Equipment	4,193,151.80	36-R2.5	0%		3,153,264	3,153,263.56	
320	Other Equipment	835,037.49	20-R4	0%		280,692	280,691.71	
321	LNG Equipment	16,536,014.07	27-R4	0%		4,483,147	4,483,146.57	
	TOTAL Production Equipment	23,863,110.25				9,381,014	9,381,013.66	
Transmission and Distribution Plant								
374	(365) Rights of Way	79,051.37	75-R3	0%		0	0.00	
375.2	(366) Structures & Improvement	2,108,612.14	54-L3	-5%		1,461,442	1,461,441.60	
Mains								
376.1	(367.1) Cast Iron	6,710,347.02	75-R2	-15%	3,406,594	2,544,864	2,544,863.66	
376.2	(367.2) Steel Mains - Coated/Wrapped	143,919,724.75	55-R4	-15%	60,653,626	45,310,715	45,310,714.67	
376.3	(367.3) Steel Mains - Bare	2,564,982.88	74-R3	-15%	2,046,368	1,528,720	1,528,719.76	
376.4	(367.4) Plastic Mains	116,579,215.34	55-S2	-15%	22,236,793	16,811,785	16,811,784.81	
376.5	(367.5) Joint Seals	19,580,594.04	23-R5	-15%	9,606,564	7,176,492	7,176,492.31	
376.6	(367.6) Cathodic Protection	7,381,476.44	19-S5	-15%	3,233,061	2,415,227	2,415,227.48	
	Total Account 376 (367)	295,736,340.47			101,183,006	75,587,803	75,587,802.69	
394.1	(368) Compressor Station Equipment	327,265.05	22-R2.5	0%		238,059	238,059.12	
378	(369) Meas. & Reg. Station Equip.	11,275,919.37	39-R4	-5%		3,330,869	3,330,869.17	
379	Other Equipment	510,251.60	35-R3	0%		209,902	209,902.34	
Services								
380.2	Steel - Coated/Wrapped	55,850,176.27	56-R3	-170%	43,139,068	60,119,216	60,119,215.56	
380.3	Steel - Bare	543,808.14	60-R4	-170%	1,366,867	924,474	924,473.84	
380.4	Plastic	160,471,566.05	55-R3	-170%	39,272,611	54,730,866	54,730,866.37	
380.5	Copper	167,744.59	56-R3	-170%	224,762	313,232	313,231.50	
	Total Account 380	217,033,295.05			84,003,308	116,087,787	116,087,787.27	
381	Meters	24,527,068.54	28-S6	2%		9,486,756	9,486,755.98	
382	Meter Installations	42,380,403.42	53-S3	-60%		9,736,769	9,736,768.97	
383	House Regulators	13,562,019.77	31-S6	-10%		4,955,322	4,955,322.40	
394.3	(387) Other Equipment	1,814,797.11	11-L4	0%		515,595	515,594.73	
	TOTAL Trans. & Distr. Plant	609,355,020.89			185,186,314	191,675,590	29,934,714	221,610,304.27
General Plant								
375.7	(390) Structures & Improvements	6,939,631.18	90-R1.5	3%		1,941,039	1,941,038.72	
Office Furniture & Equipment								
391.1	Office Furniture & Equipment	3,749,589.10	9-L3	0%	3,089,806	3,089,806	3,089,806.00	
391.2	Computer & IT Equipment	7,481,692.89	7-R4	0%	1,718,040	3,222,916	3,222,916.13	
	Total Account 391	11,231,281.99			4,807,846	6,312,722	6,312,722.13	
392	Transportation Equipment	2,638,835.77	10-R3	8%		1,329,582	1,329,581.50	
393	Stores Equipment	50,472.55	19-R3	0%		-5,950	-5,950.26	
394	Tools, Shop & Garage Equipment	1,709,378.09	21-R3	0%		743,756	743,755.51	
396	Power Operated Equipment	489,502.88	13-R3	2%		222,783	222,782.71	

Table 3

Bay State Gás Company

Allocation of Book Depreciation Reserves For Selected Accounts as of
 December 31, 2003 Based Upon Calculated Depreciation Reserves as of
 December 21, 2003

Acct. No.	Account Description	Original Cost 12-31-03	A.S.L./ Survivor Curve	Salvage %	Theoretical Depreciation Reserve	Total Sub-Acc ^t Book Depr. Reserve Allocation	Non-Allocated Book Reserve	Total Book Reserve 12-31-03
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Communication Equipment								
397.1	Communication Equipment	7,033,594.41	17-R2	0%	2,628,546	2,254,128		2,254,128.19
397.2	Metscan Meter Interface Units	6,419,326.08	9-R5	0%	11,055,871	9,481,040		9,481,040.26
	Total Account 397	13,452,920.49			13,684,417	11,735,168		11,735,168.45
398	Miscellaneous Equipment	25,220.35	18-L1.5	0%			12,366	12,366.29
	TOTAL General Plant	36,537,243.30			18,492,263	18,047,891	4,243,574	22,291,465.05
	Sub-TOTAL Depreciable Plant	669,755,374.44			203,676,577	209,723,481	43,559,302	253,282,782.98
AMORTIZATION ACCOUNTS (Not Studied)								
386.0	Water Heaters	11,496,963.72					1,933,968	1,933,967.50
386.2	Boilers	569,752.00					1,120,110	1,120,110.07
386.3	Conversion Burners	7,727,861.00					403,724	403,724.49
	TOTAL Depreciable Plant	689,549,951.16				209,723,481	47,017,105	256,740,585.04
NON-DEPRECIABLE PLANT								
301	Organization	4,432,918.56					3,312,989	3,312,989.01
303	Miscellaneous Intangible Plant	478,038,238.89					71,922,000	71,921,999.93
304	Land & Land Rights - Production	412,591.77					0	0.00
374.1	(365.1) Land & Land Rights - Distributio	219,040.69					0	0.00
389	Land & Land Rights - General	172,320.91					0	0.00
	TOTAL Non-Depreciable Plant	483,275,110.82				0	75,234,989	75,234,988.94
	TOTAL Utility Plant in Service	1,172,825,061.98				209,723,481	122,252,093	331,975,573.98

Table 4

Bay State Gas Company

**Summary of Original Cost of Utility Plant in Service as of December 31, 2003
Per Books, Pending Retirements, and Adjusted Original Cost Per Depreciation Study**

Acct. No. (a)	Account Description (b)	Original Cost Per Books 12-31-03	Pending Retirements (h)	Adjusted Original Cost Per Depr. Study 12-31-03
		(c)		(i)
DEPRECIABLE PLANT				
	Production Equipment			
305	Structures & Improvements	2,298,906.89		2,298,906.89
311	L.P. Gas Equipment	4,193,151.80		4,193,151.80
320	Other Equipment	835,037.49		835,037.49
321	LNG Equipment	16,536,014.07		16,536,014.07
	TOTAL Production Equipment	23,863,110.25	0.00	23,863,110.25
Transmission and Distribution Plant				
374	(365) Rights of Way	79,051.37		79,051.37
375.2	(366) Structures & Improvement	2,108,612.14		2,108,612.14
	Mains			
376.1	(367.1) Cast Iron	5,710,347.02		5,710,347.02
376.2	(367.2) Steel Mains - Coated/Wrapped	143,919,724.75		143,919,724.75
376.3	(367.3) Steel Mains - Bare	2,564,982.88		2,564,982.88
376.4	(367.4) Plastic Mains	116,579,215.34		116,579,215.34
376.5	(367.5) Joint Seals	19,580,594.04		19,580,594.04
376.6	(367.6) Cathodic Protection	7,381,476.44		7,381,476.44
	Total Account 376 (367)	295,736,340.47	0.00	295,736,340.47
394.1	(368) Compressor Station Equipment	327,265.05		327,265.05
378	(369) Meas. & Reg. Station Equip.	11,275,919.37		11,275,919.37
379	Other Equipment	510,251.60		510,251.60
	Services			
380.2	Steel - Coated/Wrapped	55,850,176.27		55,850,176.27
380.3	Steel - Bare	543,808.14		543,808.14
380.4	Plastic	160,471,566.05		160,471,566.05
380.5	Copper	167,744.59		167,744.59
	Total Account 380	217,033,295.05	0.00	217,033,295.05
381	Meters	24,527,065.54		24,527,065.54
382	Meter Installations	42,380,403.42		42,380,403.42
383	House Regulators	13,562,019.77		13,562,019.77
394.3	(387) Other Equipment	1,814,797.11		1,814,797.11
	TOTAL Trans. & Distr. Plant	609,355,020.89	0.00	609,355,020.89
	General Plant			
375.7	(390) Structures & Improvements	6,939,631.18		6,939,631.18
Office Furniture & Equipment				
391.1	Office Furniture & Equipment	3,749,589.10		3,749,589.10
391.2	Computer & IT Equipment	7,481,692.89		7,481,692.89

Table 4

Bay State Gas Company

**Summary of Original Cost of Utility Plant in Service as of December 31, 2003
Per Books, Pending Retirements, and Adjusted Original Cost Per Depreciation Study**

Acct. No. (a)	Account Description (b)	Original Cost Per Books 12-31-03 (c)	Pending Retirements (h)	Adjusted Original Cost Per Depr. Study 12-31-03 (i)
	Total Account 391	11,231,281.99	0.00	11,231,281.99
392	Transportation Equipment	2,638,835.77		2,638,835.77
393	Stores Equipment	50,472.55		50,472.55
394	Tools, Shop & Garage Equipment	1,709,378.09		1,709,378.09
396	Power Operated Equipment	489,502.88		489,502.88
	<u>Communication Equipment</u>			
397.1	Communication Equipment	7,033,594.41		7,033,594.41
397.2	Metscan Meter Interface Units	15,066,431.00	8,647,104.92	6,419,326.08
	Total Account 397	22,100,025.41	8,647,104.92	13,452,920.49
398	Miscellaneous Equipment	25,220.35		25,220.35
	TOTAL General Plant	45,184,348.22	8,647,104.92	36,537,243.30
	Sub-TOTAL Depreciable Plant	678,402,479.36	8,647,104.92	669,755,374.44
	<u>AMORTIZATION ACCOUNTS (Not Studied)</u>			
386.0	Water Heaters	11,496,963.72		11,496,963.72
386.2	Boilers	569,752.00		569,752.00
386.3	Conversion Burners	7,727,861.00		7,727,861.00
	TOTAL Depreciable Plant	698,197,056.08	8,647,104.92	689,549,951.16
	<u>NON-DEPRECIABLE PLANT</u>			
301	Organization	4,432,918.56		4,432,918.56
303	Miscellaneous Intangible Plant	478,038,238.89		478,038,238.89
304	Land & Land Rights - Production	412,591.77		412,591.77
374.1	(365.1) Land & Land Rights - Distribution	219,040.69		219,040.69
389	Land & Land Rights - General	172,320.91		172,320.91
	TOTAL Non-Depreciable Plant	483,275,110.82	0.00	483,275,110.82
	TOTAL Utility Plant in Service	1,181,472,166.90	8,647,104.92	1,172,825,061.98

Table 5

Bay State Gas Company

**Summary of Depreciation Reserve Related to Utility Plant in Service as of December 31, 2003
Per Books, Pending Retirements, and Adjusted Depreciation Reserve Per Depreciation Study**

Acct. No. (a)	Account Description (b)	Depreciation Reserve Per Books 12-31-03 (c)	Pending Retirements (h)	Adjusted Depreciation Reserve Per Depr. Study 12-31-03 (i)
<u>DEPRECIABLE PLANT</u>				
<u>Production Equipment</u>				
305	Structures & Improvements	1,463,911.82		1,463,911.82
311	L.P. Gas Equipment	3,153,263.56		3,153,263.56
320	Other Equipment	280,691.71		280,691.71
321	LNG Equipment	4,483,146.57		4,483,146.57
	TOTAL Production Equipment	9,381,013.66	0.00	9,381,013.66
<u>Transmission and Distribution Plant</u>				
374	(365) Rights of Way	0.00		0.00
375.2	(366) Structures & Improvement	1,461,441.60		1,461,441.60
<u>Mains</u>				
376.1	(367.1) Cast Iron	2,544,863.66		2,544,863.66
376.2	(367.2) Steel Mains - Coated/Wrapped	45,310,714.67		45,310,714.67
376.3	(367.3) Steel Mains - Bare	1,528,719.76		1,528,719.76
376.4	(367.4) Plastic Mains	16,611,784.81		16,611,784.81
376.5	(367.5) Joint Seals	7,176,492.31		7,176,492.31
376.6	(367.6) Cathodic Protection	2,415,227.48		2,415,227.48
	Total Account 376 (367)	75,587,802.69	0.00	75,587,802.69
394.1	(368) Compressor Station Equipment	238,059.12		238,059.12
378	(369) Meas. & Reg. Station Equip.	3,330,869.17		3,330,869.17
379	Other Equipment	209,902.34		209,902.34
<u>Services</u>				
380.2	Steel - Coated/Wrapped	60,119,215.56		60,119,215.56
380.3	Steel - Bare	924,473.84		924,473.84
380.4	Plastic	54,730,866.37		54,730,866.37
380.5	Copper	313,231.50		313,231.50
	Total Account 380	116,087,787.27	0.00	116,087,787.27
381	Meters	9,486,755.98		9,486,755.98
382	Meter Installations	9,736,768.97		9,736,768.97
383	House Regulators	4,955,322.40		4,955,322.40
394.3	(387) Other Equipment	515,594.73		515,594.73
	TOTAL Trans. & Distr. Plant	221,610,304.27	0.00	221,610,304.27
<u>General Plant</u>				
375.7	(390) Structures & Improvements	1,941,038.72		1,941,038.72
<u>Office Furniture & Equipment</u>				
391.1	Office Furniture & Equipment	3,089,806.00		3,089,806.00
391.2	Computer & IT Equipment	3,222,916.13		3,222,916.13
	Total Account 391	6,312,722.13	0.00	6,312,722.13

Table 5

Bay State Gas Company

**Summary of Depreciation Reserve Related to Utility Plant in Service as of December 31, 2003
Per Books, Pending Retirements, and Adjusted Depreciation Reserve Per Depreciation Study**

Acct. No. (e)	Account Description (b)	Depreciation Reserve Per Books 12-31-03 (c)	Pending Retirements (h)	Adjusted Depreciation Reserve Per Depr. Study 12-31-03 (l)
392	Transportation Equipment	1,329,581.50		1,329,581.50
393	Stores Equipment	-5,950.26		-5,950.26
394	Tools, Shop & Garage Equipment	743,755.51		743,755.51
396	Power Operated Equipment	222,782.71		222,782.71
Communication Equipment				
397.1	Communication Equipment	2,254,128.19		2,254,128.19
397.2	Metscan Meter Interface Units	9,481,040.26	8,647,104.92	833,935.34
	Total Account 397	11,735,168.45	8,647,104.92	3,088,063.53
398	Miscellaneous Equipment	12,366.29		12,366.29
	TOTAL General Plant	22,291,465.05	8,647,104.92	13,644,360.13
	Sub-TOTAL Depreciable Plant	253,282,782.98	8,647,104.92	244,635,678.06
AMORTIZATION ACCOUNTS (Not Studied)				
386.0	Water Heaters	1,933,967.50		1,933,967.50
386.2	Boilers	1,120,110.07		1,120,110.07
386.3	Conversion Burners	403,724.49		403,724.49
	TOTAL Depreciable Plant	256,740,585.04	8,647,104.92	248,093,480.12
NON-DEPRECIABLE PLANT				
301	Organization	3,312,989.01		3,312,989.01
303	Miscellaneous Intangible Plant	71,921,999.93		71,921,999.93
304	Land & Land Rights - Production	0.00		0.00
374.1	(365.1) Land & Land Rights - Distribution	0.00		0.00
389	Land & Land Rights - General	0.00		0.00
	TOTAL Non-Depreciable Plant	75,234,988.94	0.00	75,234,988.94
	TOTAL Utility Plant in Service	331,975,573.98	8,647,104.92	323,328,469.06

SECTION 3

Bay State Gas Company

General

This report sets forth the results of our study of the depreciable property of Bay State Gas Company (the Company) as of December 31, 2003 and contains the basic parameters (recommended average service lives and life characteristics) for the proposed average remaining life depreciation rates until a subsequent service life study is completed. All average service lives set forth in this report are developed based upon plant in service as of December 31, 2003.

The scope of the study included an analysis of Company historical data through December 31, 2003, discussions with Company management staff to identify prior and prospective factors affecting the Company's plant in service, as well as interpretation of past service life data experience and future life expectancies to determine the appropriate average service lives of the Company's surviving plant. The service lives and life characteristics, resulting from the in-depth study, were utilized together with the Company's plant in service and book depreciation reserve to determine the recommended Average Remaining Life (ARL) depreciation rates related to the Company's plant in service as of December 31, 2003.

In preparing the study, the Company's historical investment data were studied using various service life analysis techniques. Further, discussions were held with the Company's management to obtain an overview of the Company's facilities and to discuss the general scope of operations together with other factors which could have a bearing on the service lives of the Company's property. Finally, the study results were tempered by

information gathered during plant inspection tours of a representative portion of the Company's property.

The Company maintains a property record containing a summary of its fixed capital investments by property account. This investment data was analyzed and summarized by property group and/or sub group and vintage and then utilized as a basis for the various depreciation calculations.

Depreciation Study Overview

There are numerous methods utilized to recover property investment depending upon the goal. For example, accelerated methods such as double declining balance and sum of years digits are methods used in tax accounting to motivate additional investments. Broad Group (BG) and Equal Life Group (ELG) are both Straight Line Grouping Procedures recognized and utilized by various regulatory jurisdictions depending upon the policy of the specific agency.

The Straight Line (Group) Method of depreciation utilized in this study to develop the recommended depreciation rates is the Broad Group Procedure together with the Average Remaining Life Technique. The use of this procedure and technique is based upon recovering the net book cost (original cost less book reserve) of the surviving plant in service over its estimated remaining useful life. Any variance between the book reserve and an implied theoretical calculated reserve is compensated for under this procedure. That is, as the Company's book reserve increases above or declines below the theoretical reserve at a specific point in time, the Company's average remaining life depreciation rate in subsequent years will be increased or decreased to compensate for the variance, thereby, assuring full recovery of the Company's investment by the end of the property's

life.

The Company, like any other business, includes as an annual operating expense an amount which reflects a portion of the capital investment which was consumed in providing service during the accounting period. The annual depreciation amount to be utilized is based upon the remaining productive life over which the undepreciated capital investment needs to be recovered. The determination of the productive remaining life for each property group usually includes an in-depth study of past experience in addition to estimates of future expectations.

Annual Depreciation Accrual

Through the utilization of the Average Remaining Life Technique, the Company will recover the undepreciated fixed capital investment in the appropriate amounts as annual depreciation expense in each year throughout the remaining life of the property. The procedure incorporates the future life expectancy of the property, the vintaged surviving plant in service, and estimated net salvage, together with the book depreciation reserve balance to develop the annual depreciation rate for each property account. Accordingly, the ARL technique meets the objective of providing a straight line recovery of the undepreciated fixed capital property investment.

As indicated, the use of the Average Remaining Life Technique results in charging the appropriate annual depreciation amounts over the remaining life of the property to insure full recovery by end of life. That does not mean that once an average remaining life is estimated, it can not be changed at any point throughout the service life, but that the annual expense is calculated on a Straight Line Method rather than by the previously mentioned, "sum of the years digits" or "double declining balance" methods, etc. The

"group" refers to the method of calculating annual depreciation on the summation of the investment in any one depreciable group or plant account rather than calculating depreciation for each individual unit.

Under Broad Group depreciation some units may be over depreciated and other units may be under depreciated at the time when they are retired from service, but overall, the account is fully depreciated when average service life is attained. By comparison, Equal Life Group depreciation rates are designed to fully accrue the cost of the asset group by the time of retirement. For both the Broad Group and Equal Life Group Procedures the full cost of the investment is credited to plant in service when the retirement occurs and likewise the depreciation reserve is debited with an equal retirement cost. No gain or loss is recognized at the time of property retirement because of the assumption the retired property was at average service life.

Group Depreciation Procedures

Group depreciation procedures are utilized to depreciate property when more than one item of property is being depreciated. Such a procedure is appropriate because all of the items within a specific group typically do not have identical service lives, but have lives which are dispersed over a range of time. Utilizing a group depreciation procedure allows for a condensed application of depreciation rates to groups of similar property in lieu of extensive depreciation calculations on an item by item basis. The two more common group depreciation procedures are the Broad Group (BG) and Equal Life Group (ELG) approach.

In developing depreciation rates using the Broad Group procedure, the annual depreciation rate is based on the average of the overall group, which is then applied to the

group's surviving original cost investment. A characteristic of this procedure is that retirements of individual units occurring prior to average service life will be under depreciated, while individual units retired after average service life will be over depreciated when removed from service, but overall, the group investment will achieve full recovery by the end of the life of the total property group. That is, the under recovery occurring early in the life of the account is balanced by the over recovery occurring subsequent to average service life. In summary, the cost of the investment is complete at the end of the property's life cycle, but the rate of recovery does not match the consumption pattern which was used to provide service to the Company's customers.

Under the average service life procedure, the annual depreciation rate is calculated by the following formula:

$$\text{Annual Accrual Rate, Percent} = \frac{100\% - \text{Salvage}}{\text{Average Service Life}} \times 100$$

The application of the broad group procedure to life span groups results in each vintage investment having a different average service life. This circumstance exists because the concurrent retirement of all vintages at the anticipated retirement year results in truncating and, therefore, restricting the life of each successive years vintage investment. An average service life is calculated for each vintage investment in accordance with the above formula. Subsequently, a composite service life and depreciation rate is calculated relative to all vintages within the property group by weighting the life for each vintage by the related surviving vintage investment within the group.

In the Equal Life Group, the property group is subdivided, through the use of plant life tables, into equal life groups. In each equal life group, portions of the overall property group includes that portion which experiences the life of the specific sub-group. The

relative size of each sub-group is determined from the overall group life characteristic (property dispersion curve). This procedure both overcomes the disadvantage of voluminous record requirements of unit depreciation, as well as, eliminates the need to base depreciation on overall lives as required under the broad group procedure. The application of this procedure results in each sub-group of the property having a single life. In this procedure, the full cost of short lived units is accrued during their lives leaving no under accruals to be recovered by over accruals on long lived plant. The annual depreciation for the group is the summation of the depreciation accruals based on the service life of each Equal Life Group.

The ELG Procedure is superior to the BG Procedure because it allocates the capital cost of a group property to annual expense in accordance with the consumption of the property group providing service to customers. In this regard, the Company's customers are more appropriately charged with the cost of the property consumed in providing them service during the applicable service period. The more timely return of plant cost is accomplished by fully accruing each unit's cost during its service life, thereby, not only reducing the risk of incomplete cost recovery, but also the procedure results in less return on rate base over the life of a depreciable group. The total depreciation expense is the same for all procedures which allocate the full capital cost to expense, but at any specific point in time, the depreciated original cost is less under the ELG procedure than under the BG procedure. This circumstance exists because under the equal life group procedure, the rate base is not maintained at a level of greater than the future service value of the surviving plant as is the case when using the average service life procedure. Consequently, the total return required from the ratepayers is less under the ELG

procedure.

While the equal life group procedure has been known to depreciation experts for many years, widespread interest in applying the procedure developed only after high speed electronic computers became available to perform the large volume of arithmetic computations required in developing ELG based depreciation lives and rates. The table on the following page illustrates the procedure for calculating equal life group depreciation accrual rates and summarizes the results of the underlying calculations. Depreciation rates are determined for each age interval (one year increment) during the life of a group of property which was installed in a given year or vintage group. The age of the vintage group is shown in column (A) of the ELG table. The percent surviving at the beginning of each age interval is determined from the Iowa 10-R3 survivor curve which is set forth in column (B). The percent retired during each age interval, as shown in column (C), is the difference between the percent surviving at successive age intervals. Accordingly, the percentage amount of the vintage group retired defines the size of each equal life group. For example, during the interval 3 1/2 to 4 1/2, 1.93690 percent of the vintage group is retired at an average age of four years. In this case, the 1.93690 percent of the group experiences an equal life of four years. Likewise, 3.00339 percent is retired during the interval 4 1/2 to 5 1/2 and experiences a service life of five years. Further, 4.42969 percent experiences a six-year life; etc. Calculations are made for each age interval from the zero age interval through the end of the life of the vintage group. The average service life for each age interval's equal life group is shown in column (E) of the table.

The amount to be accrued annually for each equal life group is equal to the percentage retired in the equal life group divided by its service life. Inasmuch as additions

**XYZ UTILITY COMPANY
CALCULATION OF ASL, ARL AND ACCRUED DEPRECIATION FACTORS
BASED UPON AN IOWA 10R3 CURVE USING THE EQUAL LIFE GROUP (ELG) PROCEDURE**

Table 6

AGE AT BEGIN OF INTERVAL	LIFE TABLE BEGUN INTERVAL	RETIREMENT AMOUNT DURING INTERVAL	AVERAGE SURVIVING LIFE	AMOUNT FOR EACH LIFE GROUP	EQUAL LIFE GROUP PROCEDURE					
					AGE OF RETIRING LIFE	AMOUNT FOR EACH LIFE GROUP	AVERAGE SERVICE LIFE	REMAINING LIFE	EIG/ARL DEPR. FACTOR	EIG/ARL DEPR. FACTOR
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
0.0	1.0000000	0.0009198	0.999501	0.25	0.0009198	0.0583036	0.57	8.57	11.67	0.0000000
0.5	0.9990802	0.0033314	0.9971145	1.0	0.0033314	0.1131019	8.82	8.32	11.34	0.0566976
1.5	0.9957488	0.0065393	0.9924792	2.0	0.0032697	0.109803	9.04	7.54	11.06	0.1659501
2.5	0.9892095	0.0117037	0.9333677	3.0	0.0039012	0.106259	9.26	6.76	10.80	0.2700337
3.5	0.9775058	0.0193690	0.9678213	4.0	0.0048422	0.1018442	9.50	6.00	10.52	0.3683062
4.5	0.9581368	0.0300339	0.9431199	5.0	0.0060068	0.0964496	9.78	5.28	10.22	0.4600565
5.5	0.9281029	0.0442989	0.9059546	6.0	0.0073828	0.089748	10.10	4.80	9.90	0.5447146
6.5	0.8838060	0.0631367	0.8122377	7.0	0.0090195	0.0815337	10.45	3.95	9.57	0.6217794
7.5	0.8206693	0.0876232	0.7168577	8.0	0.0108529	0.075575	10.86	3.36	9.21	0.6906424
8.5	0.7330461	0.1168879	0.6147022	9.0	0.0129653	0.0595783	11.32	2.82	8.83	0.7505770
9.5	0.6163582	0.1431836	0.5447864	10.0	0.0143184	0.0459365	11.86	2.36	8.43	0.8010714
10.5	0.4731746	0.1533568	0.3984962	11.0	0.0139415	0.0318066	12.47	1.97	8.02	0.8423003
11.5	0.3198178	0.1363216	0.2516570	12.0	0.0113601	0.0191557	13.14	1.64	7.61	0.8753616
12.5	0.1834962	0.0975195	0.1347383	13.0	0.0075015	0.0097249	13.85	1.35	7.22	0.9022159
13.5	0.08659763	0.0559043	0.0580242	14.0	0.0038932	0.009775	14.59	1.09	6.85	0.9254232
14.5	0.0300720	0.0244398	0.0178621	15.0	0.001623	0.0011663	15.31	0.81	6.53	0.9473077
15.5	0.0056322	0.0056324	0.0028860	16.0	0.0003458	0.0001788	16.03	0.53	6.24	0.9667657
16.5	0.0000998	0.0000998	0.0000498	17.0	0.0000098	0.0000029	17.00	0.60	5.88	0.9705882
17.5	0.0000000	0.0000000	0.0000000	18.0	0.0000000	0.0000000	18.00	0.00	0.00	1.0000000

and retirements are assumed, for calculation purposes, to occur at midyear only one-half of the equal life group's annual accrual is allocated to expense during its first and last years of service life. The accrual amount for the property retired during age interval 0 to 1/2 must be equal to the amount retired to insure full recovery of that component during that period. The accruals for each equal life group during the age intervals of the vintage group's life cycle are shown in column (F). The total accrual for a given year is the summation of the equal life group accruals for that year. For example, the total accrual for the second year, as shown in column (G), is 11.31019 percent and is the sum of all succeeding years remaining equal life group accruals plus one half of the current years life group accrual listed in column (F). For the zero age interval year, the total accrual is equal to one half of the sum of all succeeding years remaining equal life accruals plus the amount for the zero interval equal life group accrual. The one half year accrual for the zero age interval is consistent with the half year convention relative to property during its installation year. The sum of the annual accruals for each age interval contained in column (G) total to 1.000 demonstrating that the developed rates will recover 100% of plant no more and no less. The annual accrual rate which will result in the accrual amount is the ratio of the accrual amount (11.31019 percent) to the average percent surviving during the interval, column (D), (99.74145 percent), which is a rate of 11.34% (column J). Column (J) contains a summary of the accrual rates for each age interval of the property groups life cycle based upon an Iowa 10-R3 survivor curve.

Remaining Life Technique

In the Average Remaining Life depreciation technique, the annual accrual is calculated according to the following formula where, (A) the annual depreciation for each

group equals, (D) the depreciable cost of plant, less (U) the accumulated provision for depreciation, less (S) the estimated future net salvage, divided by (R) the composite remaining life of the group:

$$A = \frac{D - U - S}{R}$$

The annual accrual rate (a) is expressed as a percentage of the depreciable plant balance by dividing the equation by (D) the depreciable cost of plant times 100:

$$(a) = \frac{D - U - S}{R} \times \frac{1}{D} \times 100$$

As further indicated by the equation, the accumulated provision for depreciation by vintage is required in order to calculate the remaining life depreciation rate for each property group. In practice, most often such detail is not available; therefore, composite remaining lives are determined for each depreciable group, i.e., property account.

The remaining life for a depreciable group is calculated by first determining the remaining life for each vintage year in which there is surviving investment. This is accomplished by solving the area under the survivor curve selected to represent the average life and life characteristic of the property account. The remaining life for each vintage is composed by dividing (D) the depreciable cost of each vintage, by (L) its average service life, and multiplying this ratio by its average remaining life (E). The composite remaining life of the group (R) equals the sums of products divided by the sum of the quotients:

$$R \text{ Group} = \frac{\sum D/L \times E}{\sum D/L}$$

The functional level accumulated provision for depreciation, which was the basis for developing the composite average remaining life accrual and annual depreciation rate for

each property account as per this report, was obtained from the Company's books and records. The account level depreciation reserve for selected accounts was further allocated to each sub-account based upon a detailed theoretical depreciation reserve as of December 31, 2003.

Salvage

Net salvage is the difference between gross salvage, or what is received when an asset is disposed of, and the cost of removing it from service. Salvage experience is normally included with the depreciation rate so that current accounting periods reflect a proportional share of the ultimate abandonment and removal cost or salvage received at the end of the property service life. Net salvage is said to be positive if gross salvage exceeds the cost of removal, but if cost of removal exceeds gross salvage the result is then negative salvage.

The cost of removal includes such costs as demolishing, dismantling, tearing down, disconnecting or otherwise removing plant, as well as normal environmental clean up costs associated with the property. Salvage includes proceeds received for the sale of plant and materials or the return of equipment to stores for reuse.

Net salvage experience is studied for a period of years to determine the trends which have occurred in the past. These trends are considered together with any changes that are anticipated in the future to determine the future net salvage factor for remaining life depreciation purposes. The net salvage percentage is determined by relating the total net positive or negative salvage to the book cost of the property investment.

Many retired assets generate little, if any positive salvage. Conversely, numerous of the Company's asset property groups generate negative net salvage at end of their life

as a result of the cost of removal (retirement).

Net salvage experience is studied for a period of years to determine the trends which have occurred in the past. These trends are considered together with any changes that are anticipated in the future to determine the future net salvage factor for remaining life depreciation purposes. The net salvage percentage is determined by relating the total net positive or negative salvage to the book cost of the property investment retired.

The method used to estimate the retirement cost is a standard analysis approach which is used to identify a Company's historical experience with regard to what the end of life cost will be relative to the cost of the plant when first placed into service. This information, along with knowledge about the average age of the historical retirements that have occurred to date, enables the depreciation professional to estimate the level of retirement cost that will be experienced by the Company at the end of each property group's useful life. The study methodology utilized has been extensively set forth in depreciation textbooks and has been the accepted practice by depreciation professionals for many decades. Furthermore, the cost of removal analysis approach is the current standard practice used for mass assets by essentially all depreciation professionals in estimating future net salvage for the purpose of identifying the applicable depreciation for a property group. There is a direct relationship to the installation of specific plant in service and its corresponding removal in that the installation is its beginning of life cost while the removal is its end of life cost. Also, it is important to note that average remaining life based depreciation rates incorporate future net salvage which is routinely more representative of recent versus long-term past average net salvage.

The Company's historical net salvage experience was analyzed to identify the

historical net salvage factor for each applicable property group. This analysis routinely identifies that historical retirements have occurred at average ages significantly prior to the property group's average service life. This occurrence of historical retirements, at an age which is significantly younger than the average service life of the property category, clearly demonstrates that the historical data does not appropriately recognize the true level of retirement cost at the end of the property's useful life. An additional level of cost to retire will occur due to the passage of time until all the current in service plant is retired at end of life. That is, the level of retirement costs will increase over time until the average service life is attained. The estimated additional inflation, within the estimate of retirement cost, is related to those additional year's cost increases (primarily higher labor costs over time) that will occur prior to the end of the property group's average life.

To provide an additional explanation of the issue, several general principles surrounding property retirements and related net salvage need to be highlighted. Those are that as property continues to age, the retirement of assets, if generating positive salvage when retired, will typically generate a lower percent of positive salvage. By comparison, if the class of property is one that typically generates negative net salvage (cost of removal), with increasing age at retirement the negative percentage as related to original cost will typically be greater. This situation is routinely driven by the higher labor cost with the passage of time.

Next, a simple example will aid in a better understanding of the above discussed net salvage analysis and the required adjustment to the historical analysis results. Assume the following scenario. A Company has two (2) cars, Car #1 and Car #2, each purchased for \$20,000. Car #1 is retired after 2 years and Car #2, is retired after 10 years.

Accordingly, the average life of the two cars is six (6) years (2 Yrs. Plus 10 Yrs./2). Car #1 generates 75% salvage or \$15,000 when retired and Car #2 generates 5% salvage or \$1,000 when retired.

<u>Unit</u>	<u>Cost</u>	<u>Ret. Age (Yrs)</u>	<u>% Salv.</u>	<u>Salvage Amount</u>
Car # 1	\$20,000	2	75%	\$15,000
<u>Car # 2</u>	<u>20,000</u>	<u>10</u>	<u>5%</u>	<u>1,000</u>
Total	40,000	6	40%	16,000

Assume an analysis of the experienced net salvage at year three (3). Based upon the Car #1 retirement, which was retired at a young age (2 Yrs.) as compared to the average six (6) year life of the property group, the analysis indicates that the property group would generate 75% salvage. This analysis indication is incorrect and is the result of basing the estimate on incomplete data. That is, the estimate is based upon the salvage generated from a retirement that occurred at an average age which is far less than the average service life of the property group. The actual total net salvage, that occurred over the average life of the assets (which experienced a six (6) year average life for the property group) is 40% as opposed to the initial incorrect estimate of 75%.

This is exactly the situation with the majority of the Company's historical net salvage data except that most of the Company's plant property groups routinely experience negative net salvage (cost of removal) as opposed to positive salvage.

The total end of life net salvage amount must be incorporated in the development of annual depreciation rates to enable the Company to fully recover its total plant life costs. Otherwise, upon retirement of the plant, the Company will incur end of life costs without

having recovered those plant related costs from the customers who benefitted from the use of the expired facility.

Service Lives

Several factors contribute to the length of time or average service life which the property achieves. The three (3) major categories under which these factors fall are: (1) physical; (2) functional, and; (3) contingent casualties.

The physical category includes such things as deterioration, wear and tear and the action of the natural elements. The functional category includes inadequacy, obsolescence and requirements of governmental authorities. Obsolescence occurs when it is no longer economically feasible to use the property to provide service to customers or when technological advances have provided a substitute of superior performance. The remaining factor of contingent casualties relates to retirements caused by accidental damage or construction activity of one type or another.

In performing the life analysis for any property being studied, both past experience and future expectations must be considered in order to fully evaluate the circumstances which may have a bearing on the remaining life of the property. This ensures the selection of an average service life which best represents the expected life of each property investment.

Survivor Curves

The preparation of a depreciation study or theoretical depreciation reserve typically incorporates smooth curves to represent the experienced or estimated survival characteristics of the property. The "smoothed" or standard survivor curves generally used are the family of curves developed at Iowa State University which are widely used and

accepted throughout the utility industry.

The shape of the curves within the Iowa family are dependent upon whether the maximum rate of retirement occurs before, during or after the average service life. If the maximum retirement rate occurs earlier in life, it is a left (L) mode curve; if occurring at average life, it is a symmetrical (S) mode curve; if it occurs after average life, it is a right (R) mode curve. In addition, there is the origin (O) mode curve for plant which has heavy retirements at the beginning of life.

Many times, actual Company data has not completed its life cycle, therefore, the survivor table generated from the Company data is not extended to zero percent surviving. This situation requires an estimate be made with regard to the remaining segment of the property group's life experience. Further, actual Company experience is often erratic, making its utilization for average service life estimating difficult. Accordingly, the Iowa curves are used to both extend Company experience to zero percent surviving as well as to smooth actual Company data.

Study Procedures

Several study procedures were used to determine the prospective service lives recommended for the Company's plant in service. These include the review and analysis of historical retirements, current and future construction, historical experience and future expectations of salvage and cost of removal as related to plant investment. Service lives are affected by many different factors, some of which can be obtained from studying plant experience, others which may rely heavily on future expectations. When physical aspects are the controlling factor in determining the service life of property, historical experience is a valuable tool in selecting service lives. In the case where changing technology or a

less costly alternative develops, then historical experience is of lesser value.

While various methods are available to study historical data, the principal methods utilized to determine average service lives for a Company's property are the Retirement Rate Method, the Simulated Plant Record Method, the Life Span Method, and the Judgement Method.

Retirement Rate Method - The Retirement Rate Method uses actual Company retirement experience to develop a survivor curve (observed life table) which is used to determine the average service life being experienced in the account under study. Computer processing provides the opportunity to review various experience bands throughout the life of the account to observe trends and changes. For each experience band studied, the "observed life table" is constructed based on retirement experience within the band of years. In some cases, the total life of the account has not been achieved and the experienced life table, when plotted, results in a "stub curve." It is this "stub curve" or total life curve, if achieved, which is matched or fitted to a standard Survivor curve. The matching process is performed both by computer analysis, using a least squares technique, and by manually plotting observed life tables to which smooth curves are fitted. The fitted smooth curve provides the basis to determine the average service life of the property group under study.

Simulated Balances Method - In this method of analysis, simulated surviving balances are determined for each balance included in the test band by multiplying each proceeding years original gross additions installed by the Company by the appropriate factor of each Standard Survivor Curve, summing the products, and comparing the results with the related year end plant balance to determine the "best fitting" curve and life within

the test period. Various test bands are reviewed to determine trends or changes to indicated service lives in various bands of years. By definition, the curve with the "best fit" is the curve which produces simulated plant balances that most closely matches the actual plant balances as determined by the sum of the "least squares". The sum of the "least squares" is arrived at by starting with the difference between the simulated balances and the actual balance for a given year, squaring the difference, and the curve which produces the smallest sum (of squared difference) is judged to be the "best fit".

Period Retirements Method - The application of the Period Retirements Method is similar to the "Simulated Plant Balances" Method, except the procedure utilizes a Standard Survivor Curve and service life to simulate annual retirements instead of balances in performing the "least squares" fitting process during the test period. This procedure does tend to experience wider fluctuations due to the greater variations in level of experienced retirements versus additions and balances thereby producing greater variation in the study results.

Life Span Method - The Life Span or Forecast Method is a method utilized to study various accounts in which the expected retirement dates of specific property or locations can be reasonably estimated. In the Life Span Method, an estimated probable retirement year is determined for each location of the property group. An example of this would be a structure account, in which the various segments of the account are "life spanned" to a probable retirement date which is determined after considering a number of factors, such as management plans, industry standards, the original construction date, subsequent additions, resultant average age and the current - as well as the overall - expected service life of the property being studied. If in the past the property has experienced interim

retirements, these are studied to determine an interim retirement rate. Otherwise, interim retirement rate parameters are estimated for properties which are anticipated to experience such retirements. The selected interim service life parameters (Iowa curve and life) are then used with the vintage investment and probable retirement year of the property to determine the average remaining life as of the study date.

Judgement Method - Standard quantitative methods such as the Retirement Rate Method, Simulated Plant Record Method, etc. are normally utilized to analyze a Company's available historical service life data. The results of the analysis together with information provided by management as well as judgement are utilized in estimating the prospective recommended average service lives. However, there are some circumstances where sufficient retirements have not occurred, or where prospective plans or guidelines are unavailable. In these circumstances, judgement alone is utilized to estimate service lives based upon service lives used by other utilities for this class of plant as well as what is considered to be a reasonable life for this plant giving consideration to the current age and use of the facilities.

SECTION 4

Bay State Gas Company

Study Results

Account 305 - Structures & Improvements

The Company's investment in this account totals \$2,298,907 and is being depreciated using an annual depreciation rate of 3.65 percent. Interim retirements totaling \$641,528 were analyzed via the Retirement Rate method. Based upon the historical analysis results, an Iowa 42-L3 life and curve is estimated as the applicable interim retirement rate parameters for this property group investment. Considering the modest size of the facilities probable retirement dates are estimated for each property location using a forty-five (45) year life span from its principal construction date. Application of the recommended service life parameters to the Company's investment produces an average remaining life of 13.5 years.

An analysis of the net salvage experienced by this property group indicates that the majority of the gross salvage activity was related to the sales of various assets to an affiliate company (EUSA). Such activity is viewed as a non-recurring event. A modest level of negative net salvage (cost to retire) is anticipated in conjunction with the ultimate retirement of the facilities. Accordingly, future net salvage is estimated at negative five (5) percent. Applying the resulting average remaining life and net salvage factor produces an annual depreciation rate of 3.06 percent.

Account 311 - LP Gas Equipment

The company's investment in this account totals \$4,193,152. The property has attained an average age of 29.0 years and is presently being depreciated based upon an

implicit annual depreciation rate of 3.90 percent.

The retirements totaling \$2,814,588, which occurred at an average age of 31.2 years over the life of the account, were analyzed via the Retirement Rate Method. Based upon the historical analysis and study an Iowa 36-R2.5 life and curve are estimated as the applicable service life parameters. Application of the recommended Iowa 36-R2.5 life and curve to the company's current investment located in its various operating units produces an implicit average remaining life of 13.4 years.

Net salvage relative to retirements from this account totaling approximately \$397,179 has aggregated fourteen (14) percent. Similar to Account 305, the gross salvage experienced within this property group was principally related to the sale of assets to an affiliate company (EUSA). Such activity is deemed to be non-recurring. It is anticipated that future property retirements will likely produce only limited amounts of positive salvage. Accordingly, based upon the company's general historical experience in other property accounts, as well as general industry information, and giving consideration to anticipated required expenditures at the end of the property's life, future net salvage is currently estimated at zero (0) percent. Utilization of the recommended service life parameters together with the estimated negative net salvage estimate produces an annual depreciation rate of 1.85 percent.

Account 320 - Other Equipment

The current investment in this account totals \$835,037, has achieved a current average age of 12.2 years, and is presently being depreciated utilizing an annual depreciation rate of 4.92 percent.

Retirements totaling approximately \$571,316 were analyzed via the Retirement Rate

Method. This analysis demonstrates that the company's retirements have been occurring at an average age of 21.3 years and have occurred intermittently throughout the history of the account. Based upon the analysis of the available historical data, via the Retirement Rate Method and the general content of the account, an Iowa 20-R4 life and curve is estimated as the account's applicable service life characteristics. Application of estimated service life parameters to the account's surviving investment produces an implicit average remaining life 8.9 years.

While the Company has experienced aggregate historical net salvage of approximately ten (10) percent, essentially all of the gross salvage was applicable to the sale of assets to the Company's affiliate (EUSA). Otherwise, the company has experienced minimal net salvage relative to the retirement of equipment from this account. Likewise, future net salvage for this account is estimated at zero (0) percent and when combined with the company's property investment and recommended service life produces an annual depreciation rate of 7.46 percent.

Account 321 - LNG Equipment

The current investment in this account totals \$16,536,014, has achieved an average age of 7.2 years, and is presently being depreciated utilizing an annual depreciation rate of 5.22 percent. The LNG tank located at Ludlow, MA was originally leased while the remaining appurtenant equipment was company owned. During 1999, the lease was completed and the Company purchased the facility. The Company has and will continue to utilize the LNG storage site for peak shaving when demand exceeds normal gas delivery levels. While the facility is routinely upgraded, as required, there are no current plans to replace and/or retire the facility in the near future.

Retirements totaling \$1,320,025 occurred during the 1972 - 2003 experience band were analyzed via the Retirement Rate Method. The retirements that occurred at an average age of 23.3 years, varied from year to year but generally occurred throughout the account's history. The analysis results from the detailed historical data produced an indicated Iowa 27-R4 service life characteristic. Application of the recommended Iowa 27-R4 life and curve to the company's current surviving investment produces an implicit remaining life of 20.2 years for the company's total property investment.

Relative to the retirements totaling more than \$1 million from this account, no net salvage has been experienced during past years and none is anticipated in the future. Any future gross salvage is anticipated to be offset by future cost of removal. Accordingly, based upon the past experience and future expectations, future net salvage is estimated at zero (0) percent. Utilization of the recommended service life and salvage factors together with the company's investment produces a recommended annual depreciation rate of 3.61 percent for this account.

Account 374 (365) - Rights of Way

The Company's investment in this account totals \$79,051 and has achieved a current average age of 31.6 years. The investment contained in the property group is currently being depreciated using an annual depreciation rate of 1.99 percent.

There have been no retirements from the property group, therefore no historical life analysis could be performed. A review of industry data indicates average service lives for land rights in the range of 44-100 years with a mean average service life of 69 years. Based upon the general content of the account and industry data, an average service life characteristic of an Iowa 75-R3 life and curve is recommended. Application of the

recommended service life parameters to the current surviving investments produces an average remaining life of 45.9 years.

No net salvage has been experienced in the past and none is anticipated in future years. Accordingly, future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate is 2.18 percent.

Account 375.2 (366) - Structures & Improvements

The Company's investment in this account totals \$2,108,612, and is being depreciated using an annual depreciation rate of 3.02 percent. Based upon this historical analysis, an Iowa 54-L3 life and curve is estimated as the applicable interim retirement rate for this property group investment. Also, considering the modest size of the facilities, probable retirement dates are estimated for each property location using a forty-five (45) year life span from each facility's principal construction date. Application of the recommended service life parameters to the Company's investment produces an average remaining life of 11.5 years.

While overall historical net salvage has averaged approximately six (6) percent, none has been experienced during the past twenty (20) years. Cost of removal is anticipated for various facilities at the end of their lives. Accordingly, future net salvage relative to this minor investment is estimated at negative five (5) percent. Applying the resulting average remaining life and net salvage factor produces an annual depreciation rate of 3.10 percent.

Account 376 (367) - Mains

The Company's current investment in mains totals \$295,736,340 and is being depreciated utilizing an annual depreciation rate of 1.86 percent while the current overall

average age is 17.4 years. The investment in gas mains is related to several types of pipe, as well as other appurtenant equipment. Accordingly, the investment in the account has been segmented into six (6) sub-account categories which include Cast Iron Mains, Steel Mains - Coated and Wrapped, Steel Mains - Bare, Plastic Mains, Joint Seals, and Cathodic Protection. The various types of material components within the account represent the fact that the Company has generally installed different materials at various points throughout the history of the account. For example, Cast Iron Mains were principally installed since the early 1900's through the mid-1960's; Bare Steel Mains were installed since the early 1900's through the early 1950's; Coated and Wrapped Steel Mains were installed from the early 1950's through present day. During more recent times beginning with the early 1970's through the present day, the Company has been installing increasing amounts of plastic mains. Also, beginning with the early 1960's and through the present time, the Company has been installing joint seals on its cast iron pipes to repair joint leaks and also to prevent joint leaks. In conjunction with its Coated and Wrapped Steel Mains, the Company has been installing cathodic protection during the 1960's through 2003 to prevent damages caused by corrosion. The Company's mains investment has continually grown over the years since the late 1800's through the present day. The growth occurred at a very rapid rate during the 1950's and 1960's subsequent to which the growth level has generally declined to the range of five (5) percent since the early 1970's. The compound growth rate of the account investment over history has aggregated approximately thirteen (13) percent. Along with the ongoing growth in additions, the level of property retirements have begun to escalate somewhat in recent years as various segments of the property continue to age. Not only has the level of property retirements increased, but the average

age of property retirements in recent years has declined somewhat from prior years.

Retirements totaling \$14,483,369, which have occurred during the 1975-2003 experience band, were analyzed via the Retirement Rate Method. This analysis indicated that the retirements have been occurring at an average age of 29.6 years.

Based upon an analysis of the Mains account investment, it was identified that the Company's current investment in Cast Iron Mains totals \$5,710,347 and has achieved an average age of 64.1 years. Retirements totaling \$1,687,670 during the period 1975-2003 occurred at an average age of 59.2 years. An analysis of the data via the Retirement Rate Method identified that the Company's Cast Iron mains are experiencing a service life representative of an Iowa 75-R2 life and curve. In the past, the Department has mandated more stringent requirements relative to cast iron pipe. Accordingly, it is anticipated that the Company will likely continue to experience increased retirements from older vintages of Cast Iron Pipe. Application of the estimated service life parameters to the current surviving investment produces an average remaining life of 29.3 years.

The Company's investment in Coated and Wrapped Steel Mains totaling \$143,919,725 has achieved an average age of 23.0 years. During the 1975-2003 period, retirements totaling \$2,423,506 have occurred at an average age of 22.1 years. Based upon an analysis of the data via the Retirement Rate Method, an Iowa 55-R4 life and curve is estimated as the applicable life of the property group. Application of the estimated service life parameters to the current investment produces an average remaining life of 33.0 years.

The Company's surviving investment in Bare Steel Mains totals \$2,564,983 and has achieved a current average age of 65.1 years. Retirements during the period 1975-2003,

which occurred at an average age of 61.2 years, were analyzed via the Retirement Rate Method. The analysis identified that the property is achieving a life representative of an Iowa 74-R3 life and curve. With regard to Bare Steel Mains, the Company is initiating a program to replace essentially all the Bare Steel Mains over a fifteen (15) year period. Accordingly, the Iowa 74-R3 service life parameters being estimated for this property class are being terminated at 2018, the estimated final year of retirement for this property class. The resulting average remaining life based upon the current surviving investment is 11.7 years.

The Company's current investment relative to Plastic Mains is \$116,579,215 and has achieved a current average age of 8.8 years. Retirements totaling \$834,372 have occurred during the period 1975-2003 at an average age of 6.5 years. Giving consideration to the retirement rate analysis on the historical data, as well as other industry data, an Iowa 55-S2 life and curve is estimated for this property class. The resulting average remaining life of the property group is 46.3 years.

The Company has been installing joint seals on its Cast Iron Mains in recent years to repair the joints where leaks occur. At its maximum, the useful service life of the joint seals will be equal to or be less than the remaining life of Cast Iron when the Joint Seals were installed. An analysis of the property group's service life data via the Retirement Rate Method identified that the property category has experienced retirements totaling more than \$7.2 million during the period 1975-2003 at an average age of 23.6 years. Based upon the analysis, An Iowa 23-R5 life and curve is currently estimated for the Company's Joint Seal investment. Application of the service life parameters to the current surviving investment results in an average remaining life of 12.2 years.

The Company's investment relative to Cathodic Protection totals \$7,381,476. The current average age of the property category is 8.1 years. Retirements relative to this property group investment have totaled \$993,423 during the period 1975-2003 and occurred at an average age of 19.8 years. The analysis of the historical retirement data via the Retirement Rate method indicates that the property group is experiencing an average service life representative of an Iowa 19-S5 life and curve. The resulting average remaining life is 10.9 years.

An analysis was completed relative to the Company's historical salvage experience for the period 1980-2003 which demonstrated that the Company has continually experienced negative salvage for this class of property. The net negative salvage has ranged from a negative three (3) plus percent to a negative eighty-five (85) percent with numerous of the years experiencing in excess of negative twenty (20) percent. The resulting overall average negative net salvage for the twenty-three year period (1980-2003) was negative twelve (12) percent. While negative net salvage had declined during the mid 1990's, more recent years net salvage activity has been at far higher levels. A forecast analysis was prepared based upon the company's historical data which projects a future net salvage for the property group of more than negative twenty-two (22) percent net salvage. Accordingly, it is anticipated that the Company will continue to experience negative net salvage in conjunction with retirement of its mains and it is further anticipated that the level of negative salvage will increase in future years as a percent of the original cost as the property continues to age as well as due to increasing local regulations and the resulting manpower requirements being placed upon the Company's operations. Giving consideration to the Company's experience and expectations, future net salvage relative

to this property group is estimated at negative fifteen (15) percent.

The Company's vintage investment for each property category was applied to the applicable recommended service life and curves resulting in average remaining lives and recommended depreciation rates as summarized in the table below which aggregates to a total account average remaining life depreciation rate of 2.79 percent:

Account 376 - Gas Mains

Acct. No.	Description	P-I-S 12-31-03	ASL/ Curve	ARL	Net Salv. %	Depr. Rate %
376.10 (367.10)	Cast Iron Mains	\$ 5,710,347	75-R2	29.3	(15)	2.41
376.20 (367.20)	Steel Mains - Coated/Wrapped	143,919,725	55-R4	33.0	(15)	2.53
376.30 (367.30)	Steel Mains - Bare	2,564,983	74-R3	11.7	(15)	4.74
376.40 (367.40)	Plastic Mains	116,579,215	55-S2	46.3	(15)	2.17
376.50 (367.50)	Joint Seals	19,580,594	23-R5	12.2	(15)	6.42
376.60 (367.60)	Cathodic Protection	<u>7,381,476</u>	19-S5	<u>10.9</u>	<u>(15)</u>	<u>7.55</u>
Total Mains		\$295,736,340			(15)	2.79

Account 394.1 (368) - Compressor Station Equipment

The surviving investment within this asset category totals \$327,265 and is being depreciated using an annual depreciation rates of 3.69 percent. Retirements totaling \$311,041, which occurred at an average age of 16.3 years, have been experienced over the life of the property group. An analysis of this historical identifies that only a modest level of retirement activity (as well as the average age of historical data) has occurred, therefore the achieved service life indication is generally limited. Based upon the analysis of the available data and the content of the account a life of twenty-two (22) years is currently estimated. Accordingly, the life of the assets is being based upon a general

estimate of an Iowa 22-R2.5 life and curve. Application of the estimated Iowa 22-R2.5 service life parameters to the current surviving investment produces an average remaining life of 5.3 years.

An analysis of the Company's historical net salvage was completed based upon the Company's historical records for the period 1981 through 2003. Historically, the Company has not experienced any net salvage for this property group and none is anticipated in the future. Accordingly, future net salvage is estimated at zero (0) percent. The resulting annual depreciation rate is 5.14 percent.

Account 378 (369) - Measuring and Regulating Station Equipment

The investment in this account totals \$11,275,919, has attained a current average age of 11.7 years, and is presently being depreciated based upon an annual depreciation rate of 2.60 percent. The measuring and regulating equipment is utilized to regulate its gas pressure within its various service areas to the appropriate level to meet the customer needs. As the Company continues to upgrade and/or modify its operating pressure within its service territory, ongoing changes will be required to the Company's existing measuring and regulating facilities.

Retirements totaling \$654,789, which occurred during the period 1944-2003 were analyzed via the Retirement Rate Method. This detailed analysis of the historical data identifies that the retirements have been occurring at an average age of 29.4 years over the life of the account. It is anticipated that changes will continue as the Company strives to upgrade its system and provide improved customer service in future years. Based upon the historical analysis, an Iowa 39-R4 life and curve is recommended for this property group and when applied to the current surviving assets produces an average remaining life

of 27.8 years.

The Company's historic net salvage was studied for the period 1980-2000 which produced an overall average experience of approximately negative fifteen (15) percent net salvage and forecasted to in excess of negative twenty (20) percent net salvage. However, in recent years the negative salvage has moderated somewhat. Accordingly, future net salvage is estimated at negative five (5) percent. Utilization of the recommended service life and salvage parameters together with the Company's current investment produces an annual depreciation rate of 2.71 percent.

Account 379 - Other Equipment

The surviving investment within this asset category totals only \$510,252 and is being depreciated using an annual depreciation rates of 2.69 percent. An insufficient level of historical data is available to produce any meaningful service life indications. Based upon general industry information and future expectations for this asset group an Iowa 35-R3 life and curve is estimated. Application of the service life parameters to the current surviving investment produces an average remaining life of 22.3 years.

Given that no net salvage has been experienced in the past, and none is anticipated in future years. Accordingly, future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate is 2.64 percent.

Account 380 - Gas Services

The Company's current investment in Gas Services totals \$217,033,295 which is currently being depreciated utilizing an annual depreciation rate of 4.42 percent. The current surviving investment, which was installed during the years 1910 through 2003, has achieved a current average age of 13.6 years. A significant portion of the Company's

current investment was installed in the years since the early 1950's when natural gas became available in New England. During the Company's overall history, the investment in this account has grown at approximately nine (9) percent per year. As with the Company's gas mains, large growth increases occurred during the 1950's and 1960's followed by a decade of more moderate growth. Subsequently, during the late 1980's investment again accelerated. During the late 1990's, the Company has been adding service investments at the rate of five (5) plus percent per year.

Along with the increased growth in investment, the Company's replacement of existing facilities has continued to result in increased levels of retirements over the Company's recent history. Retirements during the period 1992 to 2003 totaling \$5,001,543, which occurred at an average age of 24.7 years, were analyzed via the Retirement Rate Method. The analysis identified that the annual average age of retirements have remained relatively constant over time.

The Company's investment in services is comprised of several categories of material types, namely, Steel Services - Coated and Wrapped, Steel Services - Bare, Plastic Services, and Copper Services. An analysis was performed using various Department of Transportation (DOT) reports, as well as other internal data sources, to identify the investment levels for each material type. The Company installed Bare Steel Services from the early 1900's through the early 1950's, subsequent to which the Company then installed Coated and Wrapped Steel Services until the present day. Also, the Company has a limited number of Copper Services which were estimated to be installed during the years 1957 to 1968 in the Lawrence Division. Starting in the early 1970's, the Company began installing Plastic Services which have become a major component of the

material utilized for customer services today.

As indicated, the current investment in services has been identified by the four material property categories. Similar to the Company's mains investment, it is anticipated that the Company will experience greater levels of property retirements relative to Bare Steel Services than experienced in earlier years due to increased age, and the Bare Steel program.

The Company's current Bare Steel Services investment totals \$543,808. Retirements of Bare Steel Services totaling \$411,508 during the period 1992-2003 were analyzed via the Retirement Rate Method. The property retirements, which occurred at an average age of 67.3 years, provided an indicated average service life of sixty (60) years. Accordingly, an Iowa 60-R4 life and curve is recommended for the Company's investment in Bare Steel Services.

With regard to Bare Steel Services, the Company is initiating a bare steel program to replace many of the Bare Steel Services over a fifteen (15) year period. That is, any Bare Steel Service connected to a Bare Steel Main will be replaced in conjunction with the bare steel program. Conversely, those Bare Steel Services connected to a Cast Iron Main will be replaced in the normal replacement process. Accordingly, the average remaining for this property category was developed by weighting the two groups of Bare Steel Services. For the 30,303 Bare Steel Services being replaced with the bare steel program the Iowa 60-R4 service life parameters being estimated for this property class are being terminated at 2018, the estimated final year of retirement for this asset property, which produces an average remaining life of 7.72 years. For the remaining 31,832 Bare Steel Services being replaced in the normal process, the application of the estimated Iowa 60-R3

life and curve produces an average remaining life of 8.76 years. Weighting the two groups of Services together results in an average remaining life of 8.25 years for the Company's total surviving investment in Bare Steel Services.

By comparison, the Company's investment in Coated and Wrapped Steel Services totals \$55,850,176 and has attained a current average age of 18.8 years. Retirements totaling \$2,701,192 have occurred from this property group during the years 1992-2003 at an average age of 28.8 years. An analysis of the historical data relative to this property class via the Retirement Rate Method identifies that the property investment is experiencing an average life representative of an Iowa 56-R3 life and curve. Application of the recommended service life parameters to the current investment produces an average remaining life of 34.4 years.

The Company's investment in Plastic Services totals \$160,471,566 and has achieved a current average age of 10.0 years. An analysis of retirements totaling \$1,886,648, which occurred at an average age of 9.6 years during the period 1992-2003, produced a life indication of approximately fifty-five (55) years. Application of the estimated Iowa 55-R3 life and curve to the current surviving investment produced an average remaining life of 45.5 years for the property group.

The remaining investment relative to Copper Services totals only \$167,745 and has achieved a current average age of 39.2 years. Since no retirements have occurred during the study period, an Iowa 55-R3 life and curve is estimated for the property class based upon the experience of the Company's Coated and Wrapped Steel, as well as Plastic Services. The property group's resulting average remaining life is 20.6 years.

The Company's historical net salvage experience relative to services has been

analyzed for the years 1980 through 2003 which identifies the fact that the Company has continuously experienced negative net salvage relative to the retirement of this property. During the study period, negative net salvage has ranged from negative 1,724 percent to negative 88 percent and averaged negative one hundred-seventy-one (171) percent. While negative net salvage had declined during the mid 1990's, more recent years net salvage activity has been at far higher levels. Furthermore, a forecast analysis was completed on the Company's historical net salvage which projects future negative net salvage for the property group in excess of negative four hundred (400) percent. Giving consideration to the Company's overall twenty-three (23) years and recent net salvage experience, as well as the forecast analysis which recognizes the anticipated far higher levels of future negative net salvage, future net salvage of negative (170) percent is currently estimated for this property group. Application of the recommended service lives for each of the property categories along with the estimated net salvage factor results in the average remaining lives and recommended depreciation rates as set forth on the table below for each of the property categories. The resulting composite recommended annual depreciation rate for Account 380 - Services is 5.08 percent.

Account 380 - Gas Services

<u>Acct. No.</u>	<u>Description</u>	<u>P-I-S 12-31-98</u>	<u>ASL/ Curve</u>	<u>ARL</u>	<u>Net Salv. %</u>	<u>Depr. Rate %</u>
380.20	Steel Services - Coated/Wrapped	\$ 52,850,176	56-R3	34.4	(170)	4.72
380.30	Steel Services-Bare	543,808	60-R4	8.3	(170)	12.04
380.40	Plastic Services	160,471,566	55-R3	45.5	(170)	5.18
380.50	Copper Services	167,745	55-R3	20.6	(170)	<u>4.04</u>
	Total Services	\$217,033,295			(170)	5.08

Account 381 - Meters

The investment in this account totaling \$24,527,066 is presently depreciated utilizing an annual depreciation rate of 3.51 percent. The current average age of the property group is 13.1 years.

Retirements totaling \$6,156,671 were analyzed via the Retirement Rate Method for the overall 1977-2003 experience band as well as various interim retirement periods. This experience has indicated a useful average service life characteristic of an Iowa 28-S6 life and curve and is the recommended parameters for the property group. Application of the recommended service life parameters to the Company's current surviving investment produces an average remaining life of 15.0 years.

The Company's historical salvage experience relative to the retirement of meters was analyzed for the period 1980-2003 which identifies that the amount of salvage being achieved relative to the retirement of meters has been relatively modest. While the property group has experienced approximately eight (8) percent overall net salvage, recent year's net salvage has declined to less than two (2) percent. Based upon the historical experience and the general trend, future net salvage is currently estimated at two (2) percent and when utilized together with the recommended service life parameters produces an annual depreciation rate of 3.96 percent.

Account 382 - Meter Installations

The investment in this account totals \$42,380,403, and has attained an average age of 12.2 years and is presently depreciated using an annual depreciation rate of 1.99 percent.

Available actuarial retirements totaling \$917,561, which occurred at an average age of 32.8 years during recent periods, were analyzed via the Retirement Rate Method. This analysis of this data indicates an achieved service life of approximately fifty-three (53) years. Based upon the various analysis results plus giving consideration to the average service life estimated for Meters, along with future expectations, an Iowa 53-S3 life and curve is currently estimated for this property class. An application of the estimated Iowa 53-S3 life and curve to the current surviving investments produces an average remaining life of 41.0 years.

Historically, net salvage for this account has average negative forty-four (44) percent. However, based upon recent experience and increasing levels of negative salvage, future net salvage for the current property is estimated at negative sixty (60) percent and the resulting annual depreciation rate is 3.34 percent.

Account 383 - Gas Regulators

The Company's investment in this account totals \$13,562,022, has achieved a current average age of 12.9 years, and is presently being depreciated based upon an annual depreciation rate of 3.31 percent. Additions have been placed into service for this property class continuously over the life of the account with many of the property additions being related to additions of plant in conjunction with medium pressure rebuilds and new customers. Various retirements have also occurred in conjunction with the upgrading of distribution systems to higher pressures, as well as normal ongoing retirements.

Retirements totaling \$772,157, which occurred at an average age of 28.3 years during recent years were analyzed via the Retirement Rate Method. This historic life analysis also indicates a life of thirty-one (31) years. Giving consideration to the future

expectations, an Iowa 31-S6 life and curve is currently estimated for this property class. Application of the proposed service life parameters to the Company's current surviving investment produces an average remaining life of 18.1 years.

The Company's salvage analysis was analyzed for the period 1980-2003, the Company's net salvage experience has been negative and averaged approximately negative six (6) percent net salvage and increasing. A large portion of the cost of this property class is relative to labor with little or no expectancy of any significant future gross salvage, accordingly, future net salvage can be anticipated to be increasingly negative. Accordingly, future net salvage is estimated at negative ten (10) percent, and the resulting recommended annual depreciation rate of 4.06 percent.

Account 394.3 (387) - Other Equipment

The Company's investment in this account totals only \$1,814,797, is currently depreciated utilizing an annual depreciation rate of 8.74 percent, and has achieved a current average age of 7.2 years. Retirements totaling \$4,571,562 which occurred at an average age of 11.4 years, were analyzed via the Retirement Rate Method. Based upon the analysis of the available historical data and general content of the account an Iowa 11-L4 life and curve is recommended for this property group. Application of the recommended service life parameters to the current surviving investment produces an average remaining life of 4.8 years.

Based upon the experience and expectation, future net salvage for this property class is estimated at zero (0) percent. Utilization of the recommended service life parameters and the zero (0) percent net salvage produces an average remaining life depreciation rate of 14.92 percent.

Account 375.7 (390) - Structures and Improvements

The company's investment in this account totals only \$6,939,631, which is related to the company's Brockton, Lawrence, and Springfield Offices. The surviving investment has achieved a current average age of 24.3 years and is presently being depreciated based upon an annual depreciation rate of 3.51 percent. Retirements totaling \$503,673 occurred relative to this property account over the life of the investment. Of these retirements, \$11,413,585 were related to the disposal of the previous general office facility, which was a sale/lease back transaction. The life achieved by this large retirement is not considered representative of the property currently contained in this account. Accordingly, each of the surviving property location investments were life spanned forty-five (45) years to their respective probable retirement year. Also, based upon the content of the account, an interim retirement rate reflective of an Iowa 90-R1.5 life and curve is estimated for the property location investment. Application of the recommended service life parameters to the company's current surviving investment produces an average remaining life of 32.9 years.

The only gross salvage experienced for this property account was relative to the sale of the general office. Other more limited facilities are not anticipated to experience any significant levels of salvage at retirement. Accordingly, future net salvage is estimated at three (3) percent. The resulting annual depreciation rate is 2.10 percent.

Account 391.1 - Office Furniture and Equipment

The company's investment in office furniture and fixtures totals \$3,749,589, which has achieved a current average age of 6.4 years and is presently being depreciated utilizing an annual depreciation rate of 10.7 percent. Retirements totaling \$6,111,152,

which occurred at an average age of 9.6 years, were analyzed via the Retirement Rate Method which produced life characteristics representative of an Iowa 9-L3 life and curve. Application of the estimated service life parameters to the company's current surviving investment produced an average remaining life of 3.7 years for this property account.

An analysis of the company's historical salvage data during the years 1980-2003 identifies that varying levels of net salvage have been received relative to retirements of property from this account. With the overall average net salvage achieved being less than one (1) percent positive salvage. During more recent years, the property group experienced zero (0) percent net salvage.

Furthermore, in conjunction with the retirement of office furniture and fixtures companies typically do not anticipate to experience measurable levels of net salvage. Based upon the company's recent experience and future expectancies, future net salvage is estimated at zero (0) percent and when utilized together with the recommended service life parameters and the company's investment produces an average remaining life depreciation rate of 4.76 percent.

Account 391.2 - Computer and IT Equipment

The company's current investment in this account totals \$7,481,693, has attained a current average age of 4.6 years, and is presently being depreciated based upon an annual depreciation rate of 17.51 percent. Retirements totaling \$3,824,949, which occurred at an average age of 6.8 years during the 1994-2003 experience band, were analyzed via the Retirement Rate Method. The analysis results identify that retirements have generally occurred at increasing levels over several years.

During the experience band, the company had been experiencing a life of

approximately seven (7) years. It is anticipated that this property class, which is impacted by the technological advances, routinely requires an even greater frequency of upgrades and/or replacements. Accordingly, an Iowa 7-R4 life and curve is estimated for this property. Application of the recommended service life parameters to the company's current surviving investment produces an average remaining life of 2.8 years.

Future retirements of property from this property group are not anticipated to produce positive net salvage. Accordingly, zero (0) percent future net salvage is estimated for this property group. The resulting annual depreciation rate is 20.33 percent.

Account 392 - Transportation Equipment

The investment in this account totaling \$2,638,836, which currently is depreciated utilizing an annual depreciation rate of 9.73 percent, has currently attained an average age of 8.3 years. The property investment in this account is principally related to larger trucks utilized by the company's operation force. The company leases many of its cars and light trucks.

Retirements totaling \$7,556,144, which occurred at an average age of 10.1 years during the period 1975-2003, were analyzed for the overall experience period, as well as the various other interim bands. Based upon the company's recent experience, an Iowa 10-R3 life and curve are recommended for this account. Application of the proposed service life parameters to the company's current surviving investment produces an average remaining life of 3.0 years.

An analysis of the company's retirements and related salvage during the period 1980-2003 indicates that the company has routinely experienced positive salvage in conjunction with the disposal of its transportation equipment. Overall net salvage

experience has been eight (8) percent. Based upon the overall historic experience, future net salvage of eight (8) percent was incorporated in developing the resulting depreciation rate for this property. Utilizing the estimated average service life and salvage factors together with the company's current surviving investment produces an average remaining life depreciation rate of 13.87 percent.

Account 393 - Stores Equipment

The company's investment in this account totals only \$50,473, has attained a current average age of 10.4 years, and is presently being depreciated utilizing an annual depreciation rate of 7.89 percent. The company's investment in this account is quite small and is related to general storeroom equipment located at the company's various operations warehouses. Retirements totaling \$156,385, which occurred at an average age of 20.8 years, were analyzed via the Retirement Rate Method which produced a service life indication of an Iowa 19-R3 life and curve. Application of the recommended service life parameters to the company's current surviving investment produces an average remaining life of 9.8 years.

An analysis of the company's salvage experience was completed for the period 1980-2003 to identify the level of net salvage achieved with past retirements. The result of the analysis indicates that the company has experienced an overall two (2) plus percent net salvage; however, net salvage is not anticipated in conjunction with the future retirements. Based upon the company's experience in many years, as well as general industry experience, future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate is 11.41 percent.

Account 394 - Tools, Shop & Garage Equipment

The investment in this account totaling \$1,709,378 is related to tools, garage, and work equipment utilized by the company's employees in providing service to the company's customers. The current property investment has attained an average age of 9.1 years and is presently being depreciated by an annual depreciation rate of 4.02 percent.

Retirements totaling \$293,946, which occurred at an average age of 16.4 years during the 1977-2003 period, were analyzed via the Retirement Rate Method. The overall analysis of this account identifies that the property group has been achieving an average service life of approximately twenty-one (21) years. Based upon the overall life indication, an Iowa 21-R3 life and curve is being utilized for this property group and when applied to the current surviving investment produces an average remaining life of 12.8 years.

The company's net salvage experience was analyzed for the period 1980-2003 and identified that for the overall period the company experienced approximately negative ten (10) percent net salvage. During more recent years, salvage has been in the range of negative seven (7) to zero (0) percent. Based upon recent experience, and general acknowledgment that investments in this account do not typically generate substantial levels of net salvage, future net salvage is estimated at zero (0) percent. The resulting recommended annual depreciation rate is 4.41 percent.

Account 396 - Power Operated Equipment

The company's current investment in this account totals \$489,503, which is currently being depreciated utilizing an annual depreciation rate of 8.67 percent. The property investment has attained a current average age of 10.3 years. Retirements during the recent period totaling \$1,369,911, which occurred at an average age of 13.3 years, were

analyzed via the Retirement Rate Method. Accordingly, an average service life of an Iowa 13-R3 is recommended for this property group giving consideration to general industry lives. Application of the recommended service life parameters to the company's current surviving investment produces an average remaining life of 4.3 years.

The company's available historical salvage data was analyzed during the period 1980-2003 identifying that past retirements have produced approximately three (3) percent net salvage. Based upon the available experience, future net salvage is currently estimated at two (2) percent and when combined with the recommended service life parameters in the current investment produces an average remaining life depreciation rate of 12.21 percent.

Account 397.1 - Communication Equipment

This investment, which totals \$7,033,594, is related to the company's internal telephone operating system, as well as its maintenance radio system utilized by the company's work force. The company's investment in this account is currently depreciated utilizing an annual depreciation rate of 5.31 percent and has attained a current average age of 8.8 years.

Historical retirements totaling \$3,279,091, which occurred at an average age of 9.2 during the period 1978-2003 were analyzed via the Retirement Rate Method. Accordingly, based upon the analysis of the historical data and the circumstances affecting this property investment, as well as the account content, an Iowa 17-R2 life and curve is recommended for this property and when applied to current surviving investment produces an average remaining life of 10.0 years.

An analysis of the company's salvage experience for the years 1980-2003 indicates

that, excluding the sale/lease back of the company's Metscan Meter Interface Units, only limited amounts of salvage were achieved relative to past property retirements. Based upon recent experience, future net salvage is estimated at zero (0) percent and the resulting recommended remaining life depreciation rate is 6.80 percent.

Account 397.2 - Metscan Meter Interface Units

The current investment in this account totals \$15,066,431 (which was adjusted to \$6,419,326 to reflect the pending retirements), the current depreciation rate is 12.11 percent, and the average age of the property is 8.1 years. This property is technologically based equipment and is subject to various changes and improvements over the coming years. It is anticipated that various additional change outs may occur in the near future as this property matures.

Retirements totaling \$15,320,773 occurred during the years 1987-2003 at an average age of 8.8 years. Based upon the company's overall historical experience, the 9-R5 life and curve was applied to the company's current surviving investment resulting in an average remaining life of 3.6 years.

While the company experienced a large salvage amount during 1997, this amount was the product of a sale/lease back transaction of the assets contained in the account. Little, if any, net salvage is anticipated for this property at the end of its useful life. Accordingly, future net salvage is estimated at zero (0) percent. Utilization of the recommended service life and zero (0) net salvage produces an average remaining life depreciation rate of 24.17 percent.

Account 398 - Miscellaneous Equipment

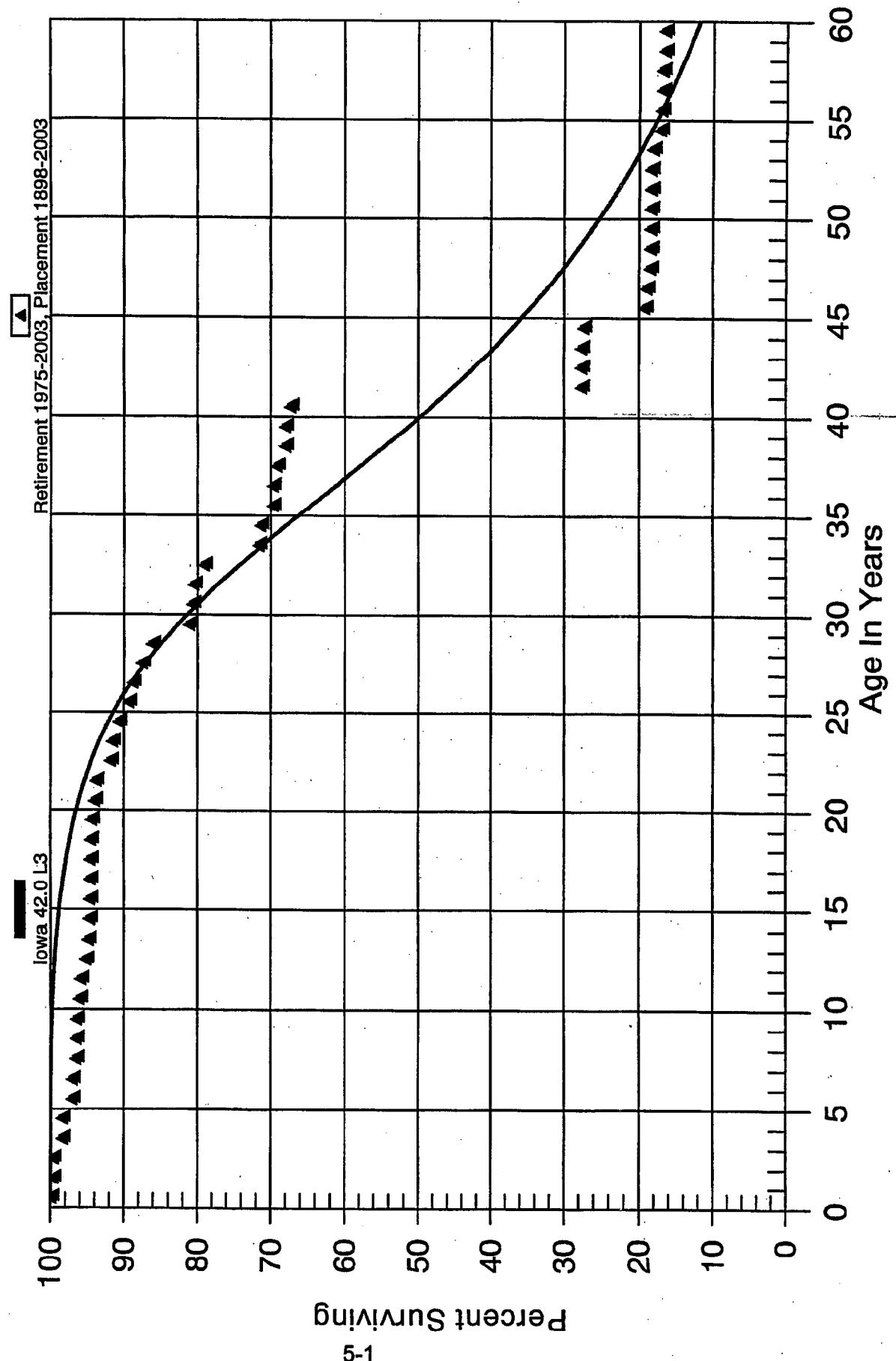
The present surviving investment in this account totals only \$25,220, has attained

a current average age of 10.9 years, and is presently being depreciated utilizing an annual depreciation rate of 6.30 percent. Retirements totaling \$128,435, which occurred at an average age of 21.6 years, were analyzed via the Retirement Rate Method and produced an Iowa 18-L1.5 life and curve. Application of the recommended life and curve to the company's current surviving investment produces an average remaining life of 10.2 years.

In the past, the company has not experienced net salvage relative to this account and none is anticipated in the future. Accordingly, future net salvage is estimated at zero (0) percent and when utilized together with the recommended service life results in a recommended annual depreciation rate of 5.00 percent.

SECTION 5

Bay State Gas Company
Total Company
305.00 STRUCTURES AND IMPROVEMENTS
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Observed Life Table

Retirement Expr. 1975 TO 2003

Placement Years 1898 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$1,682,643.57	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,715,218.90	\$5,251.52	0.00306	100.00
1.5 - 2.5	\$1,818,008.59	\$0.00	0.00000	99.69
2.5 - 3.5	\$1,885,568.79	\$23,519.43	0.01247	99.69
3.5 - 4.5	\$1,880,007.16	\$0.00	0.00000	98.45
4.5 - 5.5	\$1,846,285.78	\$24,918.61	0.01350	98.45
5.5 - 6.5	\$1,805,681.32	\$178.98	0.00010	97.12
6.5 - 7.5	\$1,791,666.62	\$9,373.32	0.00523	97.11
7.5 - 8.5	\$1,945,179.13	\$984.94	0.00051	96.60
8.5 - 9.5	\$2,009,218.92	\$374.78	0.00019	96.55
9.5 - 10.5	\$2,078,136.01	\$8,558.60	0.00412	96.54
10.5 - 11.5	\$2,103,464.24	\$4,410.04	0.00210	96.14
11.5 - 12.5	\$2,180,192.57	\$14,652.06	0.00672	95.94
12.5 - 13.5	\$2,072,069.87	\$7,564.67	0.00365	95.29
13.5 - 14.5	\$1,977,445.90	\$2,908.93	0.00147	94.95
14.5 - 15.5	\$1,986,375.33	\$1,357.78	0.00068	94.81
15.5 - 16.5	\$1,884,282.50	\$693.75	0.00037	94.74
16.5 - 17.5	\$1,870,470.06	\$364.87	0.00020	94.71
17.5 - 18.5	\$1,865,723.36	\$968.89	0.00052	94.69
18.5 - 19.5	\$1,858,310.41	\$3,127.18	0.00168	94.64
19.5 - 20.5	\$1,825,737.61	\$7,663.07	0.00420	94.48
20.5 - 21.5	\$1,821,214.63	\$3,906.80	0.00215	94.08
21.5 - 22.5	\$1,715,326.49	\$35,146.49	0.02049	93.88
22.5 - 23.5	\$1,683,772.57	\$5,354.62	0.00318	91.96
23.5 - 24.5	\$1,692,859.75	\$16,046.73	0.00948	91.66
24.5 - 25.5	\$1,662,569.09	\$25,008.67	0.01504	90.80
25.5 - 26.5	\$1,625,950.29	\$9,640.09	0.00593	89.43
26.5 - 27.5	\$1,444,121.36	\$21,210.34	0.01469	88.90
27.5 - 28.5	\$1,363,875.05	\$20,972.13	0.01538	87.59
28.5 - 29.5	\$1,117,883.55	\$65,122.84	0.05826	86.25
29.5 - 30.5	\$1,014,893.73	\$5,964.83	0.00588	81.22
30.5 - 31.5	\$918,794.35	\$1,772.06	0.00193	80.75
31.5 - 32.5	\$812,858.09	\$14,315.72	0.01761	80.59
32.5 - 33.5	\$753,446.67	\$70,694.19	0.09383	79.17
33.5 - 34.5	\$665,409.92	\$2,694.06	0.00405	71.74
34.5 - 35.5	\$656,895.57	\$15,670.52	0.02386	71.45
35.5 - 36.5	\$641,662.63	\$243.33	0.00038	69.75

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Observed Life Table

Retirement Expr. 1975 TO 2003

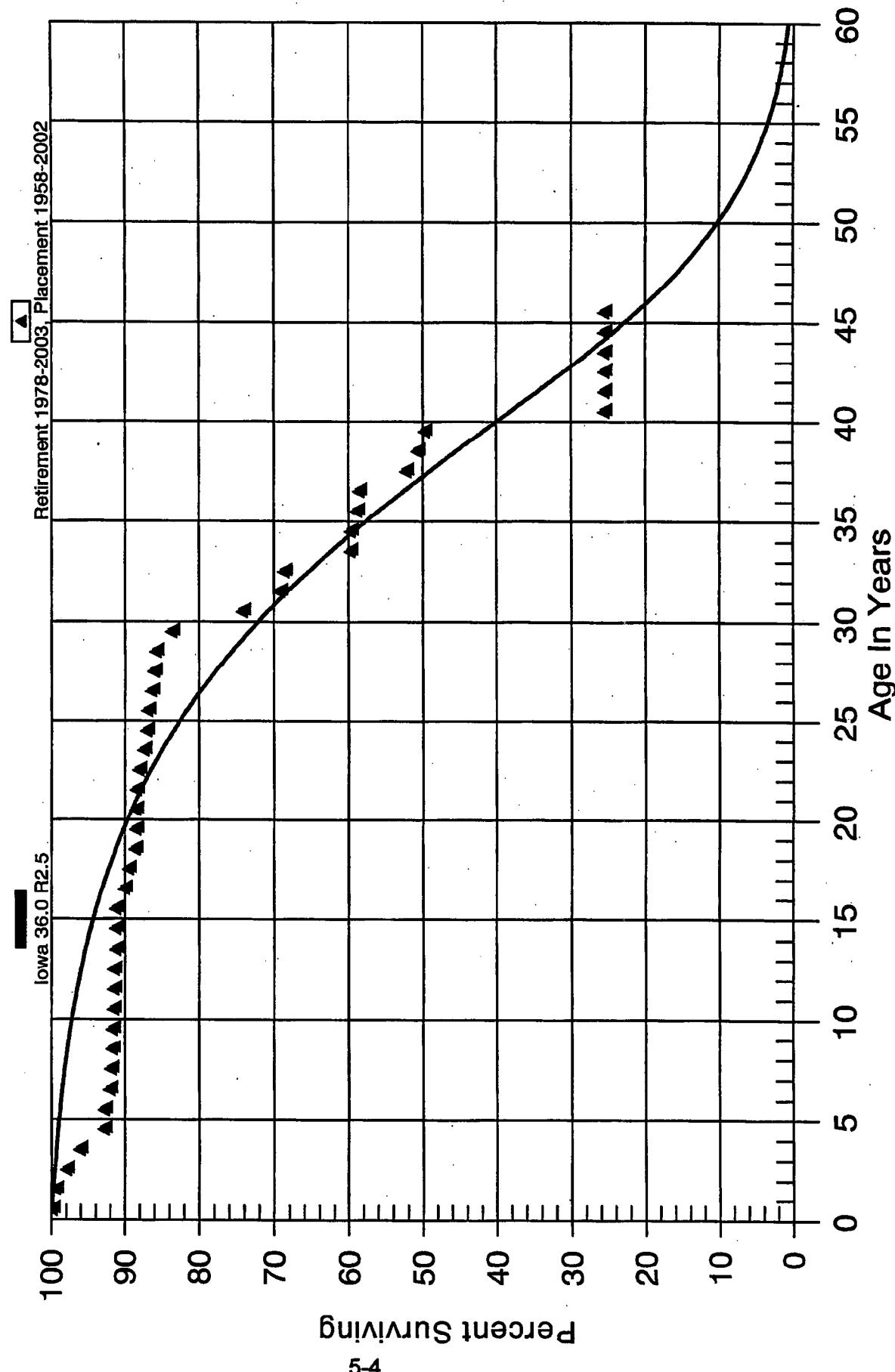
Placement Years 1898 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$507,632.14	\$3,490.53	0.00688	69.72
37.5 - 38.5	\$406,372.35	\$7,095.98	0.01746	69.24
38.5 - 39.5	\$337,222.66	\$0.00	0.00000	68.03
39.5 - 40.5	\$284,766.68	\$2,724.73	0.00957	68.03
40.5 - 41.5	\$234,235.50	\$137,954.52	0.58896	67.38
41.5 - 42.5	\$96,148.65	\$0.00	0.00000	27.70
42.5 - 43.5	\$92,873.75	\$0.00	0.00000	27.70
43.5 - 44.5	\$60,884.84	\$646.56	0.01062	27.70
44.5 - 45.5	\$101,294.22	\$30,000.00	0.29617	27.40
45.5 - 46.5	\$65,399.98	\$833.97	0.01275	19.29
46.5 - 47.5	\$81,800.93	\$2,168.59	0.02651	19.04
47.5 - 48.5	\$76,996.01	\$96.90	0.00126	18.54
48.5 - 49.5	\$76,899.11	\$205.30	0.00267	18.51
49.5 - 50.5	\$77,229.11	\$47.89	0.00062	18.46
50.5 - 51.5	\$70,628.91	\$14.43	0.00020	18.45
51.5 - 52.5	\$73,705.25	\$0.00	0.00000	18.45
52.5 - 53.5	\$73,705.25	\$1,165.50	0.01581	18.45
53.5 - 54.5	\$72,846.23	\$3,907.52	0.05364	18.16
54.5 - 55.5	\$68,998.41	\$472.02	0.00684	17.18
55.5 - 56.5	\$69,869.76	\$612.82	0.00877	17.06
56.5 - 57.5	\$69,256.94	\$0.00	0.00000	16.92
57.5 - 58.5	\$69,256.94	\$1,217.96	0.01759	16.92
58.5 - 59.5	\$68,038.98	\$0.00	0.00000	16.62
59.5 - 60.5	\$68,038.98	\$0.00	0.00000	16.62
60.5 - 61.5	\$72,202.02	\$4,163.04	0.05766	16.62
61.5 - 62.5	\$65,508.74	\$0.00	0.00000	15.66
62.5 - 63.5	\$63,736.10	\$0.00	0.00000	15.66
63.5 - 64.5	\$63,736.10	\$0.00	0.00000	15.66
64.5 - 65.5	\$60,583.11	\$570.00	0.00941	15.66
65.5 - 66.5	\$60,013.11	\$0.00	0.00000	15.51
66.5 - 67.5	\$60,013.11	\$0.00	0.00000	15.51
67.5 - 68.5	\$60,013.11	\$0.00	0.00000	15.51
68.5 - 69.5	\$60,013.11	\$0.00	0.00000	15.51
69.5 - 70.5	\$60,013.11	\$0.00	0.00000	15.51
70.5 - 71.5	\$60,013.11	\$0.00	0.00000	15.51
71.5 - 72.5	\$60,013.11	\$0.00	0.00000	15.51
72.5 - 73.5	\$60,013.11	\$0.00	0.00000	15.51

Bay State Gas Company

Total Company

311.00 LIQUEFIED PETROLEUM GAS EQUIPMENT Original And Smooth Survivor Curves



Bay State Gas Company
Total Company
311.00 LIQUEFIED PETROLEUM GAS EQUIPMENT

Observed Life Table

Retirement Expr. 1978 TO 2003

Placement Years 1958 TO 2002

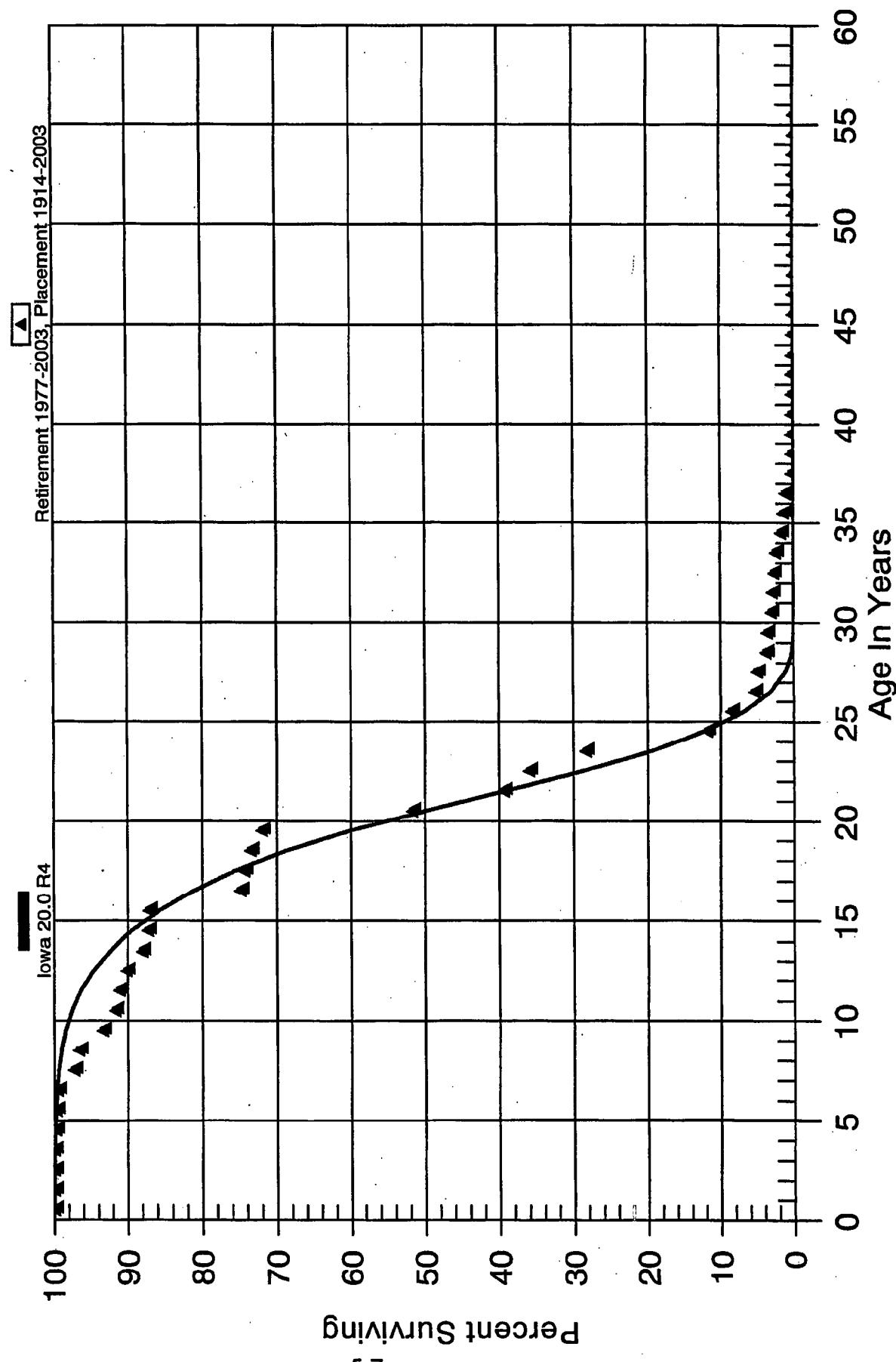
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$1,720,736.46	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,776,704.36	\$7,771.52	0.00437	100.00
1.5 - 2.5	\$1,774,607.32	\$27,105.00	0.01527	99.56
2.5 - 3.5	\$2,099,483.47	\$38,656.60	0.01841	98.04
3.5 - 4.5	\$2,058,245.83	\$70,199.14	0.03411	96.24
4.5 - 5.5	\$2,052,640.41	\$651.77	0.00032	92.95
5.5 - 6.5	\$2,535,118.67	\$20,106.40	0.00793	92.92
6.5 - 7.5	\$2,892,445.60	\$5,845.58	0.00202	92.19
7.5 - 8.5	\$3,672,885.61	\$5,969.01	0.00163	92.00
8.5 - 9.5	\$3,612,133.14	\$713.62	0.00020	91.85
9.5 - 10.5	\$3,856,189.68	\$7,111.71	0.00184	91.83
10.5 - 11.5	\$4,278,483.87	\$2,239.29	0.00052	91.66
11.5 - 12.5	\$4,779,832.19	\$853.60	0.00018	91.62
12.5 - 13.5	\$4,731,008.75	\$11,824.57	0.00250	91.60
13.5 - 14.5	\$4,917,209.64	\$712.03	0.00014	91.37
14.5 - 15.5	\$5,070,293.97	\$154.18	0.00003	91.36
15.5 - 16.5	\$4,766,577.45	\$63,280.63	0.01328	91.36
16.5 - 17.5	\$5,895,231.86	\$34,434.58	0.00590	90.14
17.5 - 18.5	\$5,778,256.12	\$55,466.01	0.00960	89.61
18.5 - 19.5	\$5,707,527.13	\$7,310.81	0.00128	88.75
19.5 - 20.5	\$5,700,091.62	\$1,202.24	0.00021	88.64
20.5 - 21.5	\$5,692,040.90	\$5,699.82	0.00100	88.62
21.5 - 22.5	\$5,612,324.94	\$21,501.42	0.00383	88.53
22.5 - 23.5	\$5,304,958.57	\$39,991.04	0.00754	88.19
23.5 - 24.5	\$5,198,718.88	\$23,497.15	0.00452	87.53
24.5 - 25.5	\$5,167,948.49	\$8,505.32	0.00165	87.13
25.5 - 26.5	\$5,152,761.17	\$28,922.04	0.00561	86.99
26.5 - 27.5	\$5,119,883.42	\$20,185.50	0.00394	86.50
27.5 - 28.5	\$5,082,941.56	\$17,361.74	0.00342	86.16
28.5 - 29.5	\$4,714,812.46	\$115,126.78	0.02442	85.86
29.5 - 30.5	\$4,593,851.03	\$516,379.32	0.11241	83.77
30.5 - 31.5	\$4,026,783.23	\$269,748.53	0.06699	74.35
31.5 - 32.5	\$3,235,699.81	\$28,788.97	0.00890	69.37
32.5 - 33.5	\$2,953,162.21	\$381,188.88	0.12908	68.75
33.5 - 34.5	\$2,561,035.83	\$952.69	0.00037	59.88
34.5 - 35.5	\$2,522,919.97	\$36,878.28	0.01462	59.86
35.5 - 36.5	\$2,245,239.60	\$11,304.51	0.00503	58.98

Bay State Gas Company
Total Company
311.00 LIQUEFIED PETROLEUM GAS EQUIPMENT

Observed Life Table
Retirement Expr. 1978 TO 2003
Placement Years 1958 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$2,108,014.88	\$226,751.14	0.10757	58.68
37.5 - 38.5	\$1,371,929.69	\$40,491.07	0.02951	52.37
38.5 - 39.5	\$1,331,438.62	\$25,312.04	0.01901	50.83
39.5 - 40.5	\$1,304,818.54	\$634,393.90	0.48619	49.86
40.5 - 41.5	\$540,603.55	\$0.00	0.00000	25.62
41.5 - 42.5	\$489,457.83	\$0.00	0.00000	25.62
42.5 - 43.5	\$51,525.73	\$0.00	0.00000	25.62
43.5 - 44.5	\$0.00	\$0.00	0.00000	25.62
44.5 - 45.5	\$0.00	\$0.00	0.00000	25.62

Bay State Gas Company
Total Company
320.00 OTHER EQUIPMENT
Original And Smooth Survivor Curves

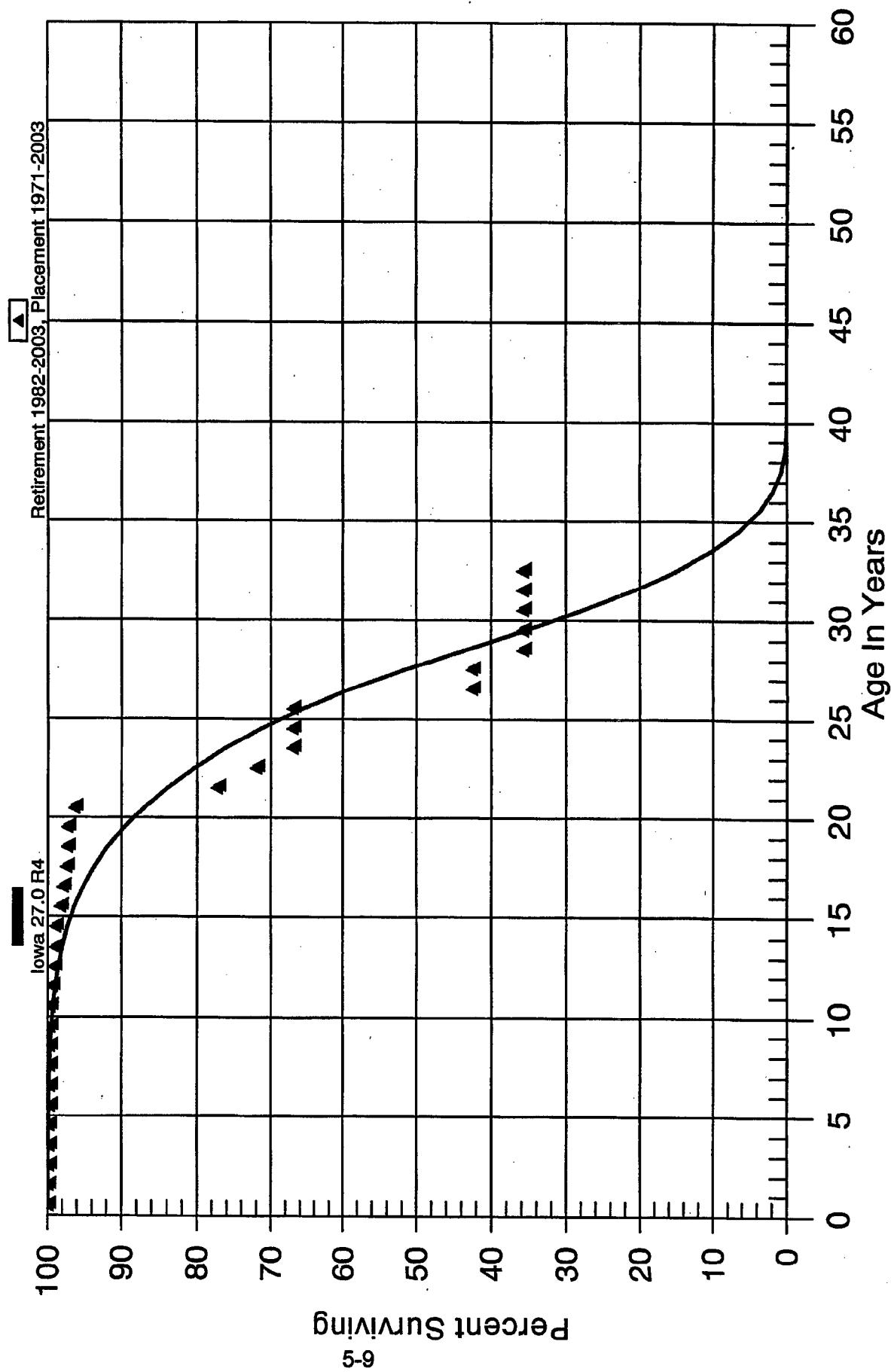


Bay State Gas Company
Total Company
320.00 OTHER EQUIPMENT

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1914 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$1,212,336.59	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,232,540.62	\$0.00	0.00000	100.00
1.5 - 2.5	\$1,110,172.18	\$0.00	0.00000	100.00
2.5 - 3.5	\$1,118,915.91	\$0.00	0.00000	100.00
3.5 - 4.5	\$1,126,974.07	\$2,041.32	0.00181	100.00
4.5 - 5.5	\$1,107,593.70	\$1,062.42	0.00096	99.82
5.5 - 6.5	\$1,067,329.14	\$2,277.98	0.00213	99.72
6.5 - 7.5	\$1,062,206.61	\$23,454.16	0.02208	99.51
7.5 - 8.5	\$1,005,893.53	\$7,021.28	0.00698	97.31
8.5 - 9.5	\$941,906.47	\$31,118.25	0.03304	96.63
9.5 - 10.5	\$926,047.87	\$16,978.89	0.01833	93.44
10.5 - 11.5	\$871,286.89	\$5,277.01	0.00606	91.73
11.5 - 12.5	\$868,625.21	\$8,966.25	0.01032	91.17
12.5 - 13.5	\$859,658.96	\$20,472.32	0.02381	90.23
13.5 - 14.5	\$833,978.97	\$7,506.20	0.00900	88.08
14.5 - 15.5	\$660,952.14	\$868.10	0.00131	87.29
15.5 - 16.5	\$517,367.18	\$72,512.45	0.14016	87.18
16.5 - 17.5	\$441,635.59	\$3,006.36	0.00881	74.96
17.5 - 18.5	\$387,003.27	\$4,451.28	0.01150	74.45
18.5 - 19.5	\$373,074.84	\$7,579.34	0.02032	73.59
19.5 - 20.5	\$353,857.29	\$99,800.26	0.28204	72.10
20.5 - 21.5	\$262,086.37	\$62,428.26	0.23820	51.76
21.5 - 22.5	\$174,562.60	\$15,197.75	0.08706	39.43
22.5 - 23.5	\$96,421.60	\$20,521.12	0.21283	36.00
23.5 - 24.5	\$85,177.82	\$49,628.06	0.58264	28.34
24.5 - 25.5	\$39,984.99	\$11,134.16	0.27846	11.83
25.5 - 26.5	\$31,520.63	\$11,683.94	0.37068	8.53
26.5 - 27.5	\$26,821.89	\$1,743.77	0.06501	5.37
27.5 - 28.5	\$35,079.02	\$8,426.92	0.24023	5.02
28.5 - 29.5	\$37,480.36	\$1,594.37	0.04254	3.82
29.5 - 30.5	\$41,171.91	\$6,298.22	0.15297	3.66
30.5 - 31.5	\$42,077.98	\$1,850.56	0.04398	3.09
31.5 - 32.5	\$40,926.78	\$2,646.77	0.06467	2.96
32.5 - 33.5	\$38,548.83	\$3,609.24	0.09363	2.77
33.5 - 34.5	\$34,939.59	\$10,000.90	0.28623	2.51
34.5 - 35.5	\$25,787.09	\$4,664.10	0.18087	1.79
35.5 - 36.5	\$23,196.24	\$5,371.86	0.23158	1.47

Bay State Gas Company
Total Company
321.00 LNG EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

321.00 LNG EQUIPMENT

Observed Life Table

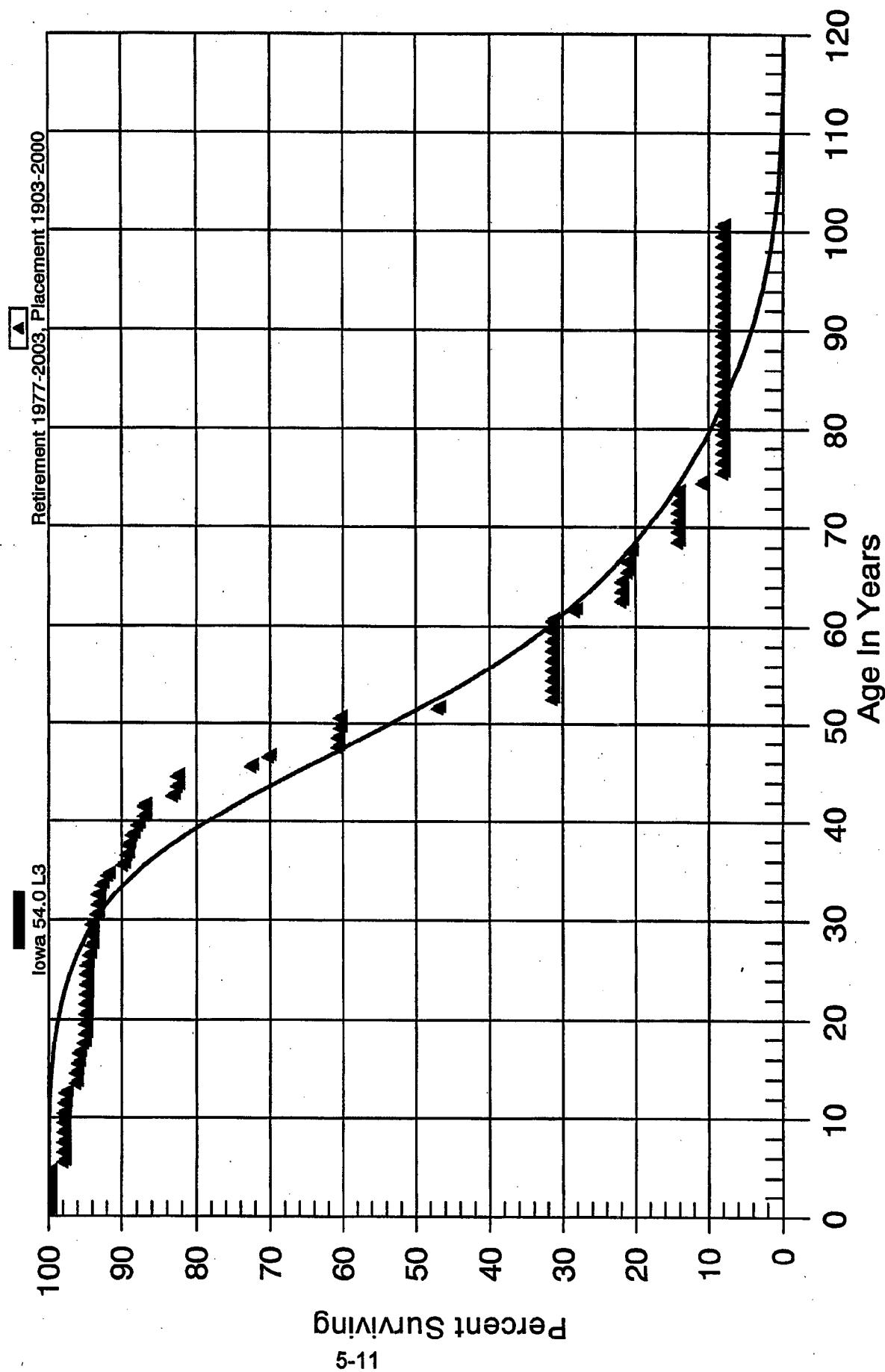
Retirement Expr. 1982 TO 2003

Placement Years 1971 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$16,325,810.27	\$0.00	0.00000	100.00
0.5 - 1.5	\$16,389,352.43	\$4,117.38	0.00025	100.00
1.5 - 2.5	\$16,079,115.03	\$9,296.93	0.00058	99.97
2.5 - 3.5	\$16,075,940.59	\$900.40	0.00006	99.92
3.5 - 4.5	\$16,080,385.28	\$0.00	0.00000	99.91
4.5 - 5.5	\$3,692,557.37	\$3,411.00	0.00092	99.91
5.5 - 6.5	\$3,709,447.27	\$0.00	0.00000	99.82
6.5 - 7.5	\$3,440,245.27	\$0.00	0.00000	99.82
7.5 - 8.5	\$2,851,024.08	\$0.00	0.00000	99.82
8.5 - 9.5	\$3,769,913.18	\$1,689.98	0.00045	99.82
9.5 - 10.5	\$3,741,770.12	\$513.18	0.00014	99.77
10.5 - 11.5	\$3,983,538.50	\$11,621.47	0.00292	99.76
11.5 - 12.5	\$3,971,917.03	\$9,078.24	0.00229	99.47
12.5 - 13.5	\$3,959,471.99	\$9,905.94	0.00250	99.24
13.5 - 14.5	\$3,930,396.45	\$774.98	0.00020	98.99
14.5 - 15.5	\$3,927,094.87	\$24,827.39	0.00692	98.97
15.5 - 16.5	\$3,887,181.90	\$15,586.81	0.00401	98.35
16.5 - 17.5	\$3,732,949.61	\$16,652.11	0.00446	97.95
17.5 - 18.5	\$3,660,941.43	\$4,393.58	0.00120	97.52
18.5 - 19.5	\$3,642,403.11	\$1,148.00	0.00032	97.40
19.5 - 20.5	\$3,617,481.92	\$35,152.28	0.00972	97.37
20.5 - 21.5	\$2,041,995.69	\$403,552.29	0.19763	96.42
21.5 - 22.5	\$1,558,420.51	\$106,306.84	0.06821	77.37
22.5 - 23.5	\$1,420,317.61	\$99,624.02	0.07014	72.09
23.5 - 24.5	\$1,311,096.11	\$0.00	0.00000	67.03
24.5 - 25.5	\$1,216,896.01	\$0.00	0.00000	67.03
25.5 - 26.5	\$1,215,279.01	\$442,967.64	0.36450	67.03
26.5 - 27.5	\$745,240.77	\$0.00	0.00000	42.60
27.5 - 28.5	\$745,240.77	\$118,504.19	0.15901	42.60
28.5 - 29.5	\$624,742.07	\$0.00	0.00000	35.83
29.5 - 30.5	\$624,742.07	\$0.00	0.00000	35.83
30.5 - 31.5	\$118,504.19	\$0.00	0.00000	35.83
31.5 - 32.5	\$118,504.19	\$0.00	0.00000	35.83

Bay State Gas Company

Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS
Original And Smooth Survivor Curves



Percent Surviving

5-11

Bay State Gas Company

Total Company

375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Observed Life Table

Retirement Expr. 1977 TO 2003

Placement Years 1903 TO 2000

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$578,093.99	\$0.00	0.00000	100.00
0.5 - 1.5	\$604,104.30	\$0.00	0.00000	100.00
1.5 - 2.5	\$751,785.47	\$137.82	0.00018	100.00
2.5 - 3.5	\$888,629.89	\$0.00	0.00000	99.98
3.5 - 4.5	\$882,009.88	\$0.00	0.00000	99.98
4.5 - 5.5	\$863,403.41	\$16,072.02	0.01861	99.98
5.5 - 6.5	\$873,796.14	\$0.00	0.00000	98.12
6.5 - 7.5	\$882,705.85	\$0.00	0.00000	98.12
7.5 - 8.5	\$1,264,696.89	\$0.00	0.00000	98.12
8.5 - 9.5	\$2,054,295.49	\$0.00	0.00000	98.12
9.5 - 10.5	\$2,054,295.49	\$619.70	0.00030	98.12
10.5 - 11.5	\$2,038,368.40	\$2,895.00	0.00142	98.09
11.5 - 12.5	\$2,048,002.01	\$2,695.29	0.00132	97.95
12.5 - 13.5	\$2,045,649.78	\$29,615.71	0.01448	97.82
13.5 - 14.5	\$2,007,829.00	\$800.00	0.00040	96.41
14.5 - 15.5	\$2,000,483.76	\$5,282.93	0.00264	96.37
15.5 - 16.5	\$1,972,443.55	\$2,490.01	0.00126	96.11
16.5 - 17.5	\$1,915,087.07	\$13,338.93	0.00696	95.99
17.5 - 18.5	\$1,825,050.87	\$3,998.56	0.00219	95.32
18.5 - 19.5	\$1,811,945.97	\$71.53	0.00004	95.11
19.5 - 20.5	\$1,807,948.67	\$757.69	0.00042	95.11
20.5 - 21.5	\$1,835,816.48	\$246.00	0.00013	95.07
21.5 - 22.5	\$1,828,454.42	\$1,679.94	0.00092	95.06
22.5 - 23.5	\$1,739,102.04	\$0.00	0.00000	94.97
23.5 - 24.5	\$1,746,609.94	\$0.00	0.00000	94.97
24.5 - 25.5	\$1,745,339.94	\$342.34	0.00020	94.97
25.5 - 26.5	\$1,746,794.76	\$6,700.09	0.00384	94.95
26.5 - 27.5	\$1,632,450.10	\$4,846.06	0.00297	94.59
27.5 - 28.5	\$1,617,045.71	\$0.00	0.00000	94.31
28.5 - 29.5	\$1,485,554.01	\$336.44	0.00023	94.31
29.5 - 30.5	\$1,352,670.01	\$10,485.83	0.00775	94.29
30.5 - 31.5	\$1,340,614.28	\$2,319.51	0.00173	93.56
31.5 - 32.5	\$1,329,669.19	\$147.72	0.00011	93.39
32.5 - 33.5	\$1,301,342.92	\$6,879.95	0.00529	93.38
33.5 - 34.5	\$1,280,208.93	\$11,014.79	0.00860	92.89
34.5 - 35.5	\$898,126.61	\$19,981.48	0.02225	92.09
35.5 - 36.5	\$153,121.71	\$919.02	0.00600	90.04

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1903 TO 2000

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$152,202.69	\$294.00	0.00193	89.50
37.5 - 38.5	\$146,839.72	\$943.91	0.00642	89.33
38.5 - 39.5	\$128,869.07	\$1,061.51	0.00824	88.75
39.5 - 40.5	\$127,464.50	\$1,198.00	0.00940	88.02
40.5 - 41.5	\$126,011.58	\$0.00	0.00000	87.20
41.5 - 42.5	\$126,011.58	\$5,547.56	0.04402	87.20
42.5 - 43.5	\$117,462.01	\$892.87	0.00760	83.36
43.5 - 44.5	\$116,569.14	\$0.00	0.00000	82.72
44.5 - 45.5	\$97,318.59	\$11,739.21	0.12063	82.72
45.5 - 46.5	\$92,611.05	\$3,055.00	0.03299	72.74
46.5 - 47.5	\$72,936.44	\$9,798.15	0.13434	70.35
47.5 - 48.5	\$62,100.88	\$0.00	0.00000	60.90
48.5 - 49.5	\$62,247.13	\$324.99	0.00522	60.90
49.5 - 50.5	\$54,678.40	\$0.00	0.00000	60.58
50.5 - 51.5	\$62,344.53	\$13,878.14	0.22260	60.58
51.5 - 52.5	\$81,286.27	\$26,709.38	0.32867	47.09
52.5 - 53.5	\$20,059.68	\$0.00	0.00000	31.61
53.5 - 54.5	\$20,059.68	\$0.00	0.00000	31.61
54.5 - 55.5	\$20,059.68	\$0.00	0.00000	31.61
55.5 - 56.5	\$20,059.68	\$0.00	0.00000	31.61
56.5 - 57.5	\$20,059.68	\$0.00	0.00000	31.61
57.5 - 58.5	\$18,065.55	\$0.00	0.00000	31.61
58.5 - 59.5	\$14,094.72	\$0.00	0.00000	31.61
59.5 - 60.5	\$14,094.72	\$0.00	0.00000	31.61
60.5 - 61.5	\$15,650.29	\$1,555.57	0.09940	31.61
61.5 - 62.5	\$14,094.72	\$3,150.57	0.22354	28.47
62.5 - 63.5	\$10,944.05	\$0.00	0.00000	22.11
63.5 - 64.5	\$10,944.05	\$0.00	0.00000	22.11
64.5 - 65.5	\$10,944.05	\$434.00	0.03966	22.11
65.5 - 66.5	\$10,510.05	\$0.00	0.00000	21.23
66.5 - 67.5	\$10,510.05	\$234.45	0.02231	21.23
67.5 - 68.5	\$10,275.60	\$3,165.00	0.30801	20.76
68.5 - 69.5	\$7,110.60	\$0.00	0.00000	14.36
69.5 - 70.5	\$7,110.60	\$0.00	0.00000	14.36
70.5 - 71.5	\$7,110.60	\$0.00	0.00000	14.36
71.5 - 72.5	\$7,110.60	\$0.00	0.00000	14.36
72.5 - 73.5	\$3,910.60	\$0.00	0.00000	14.36

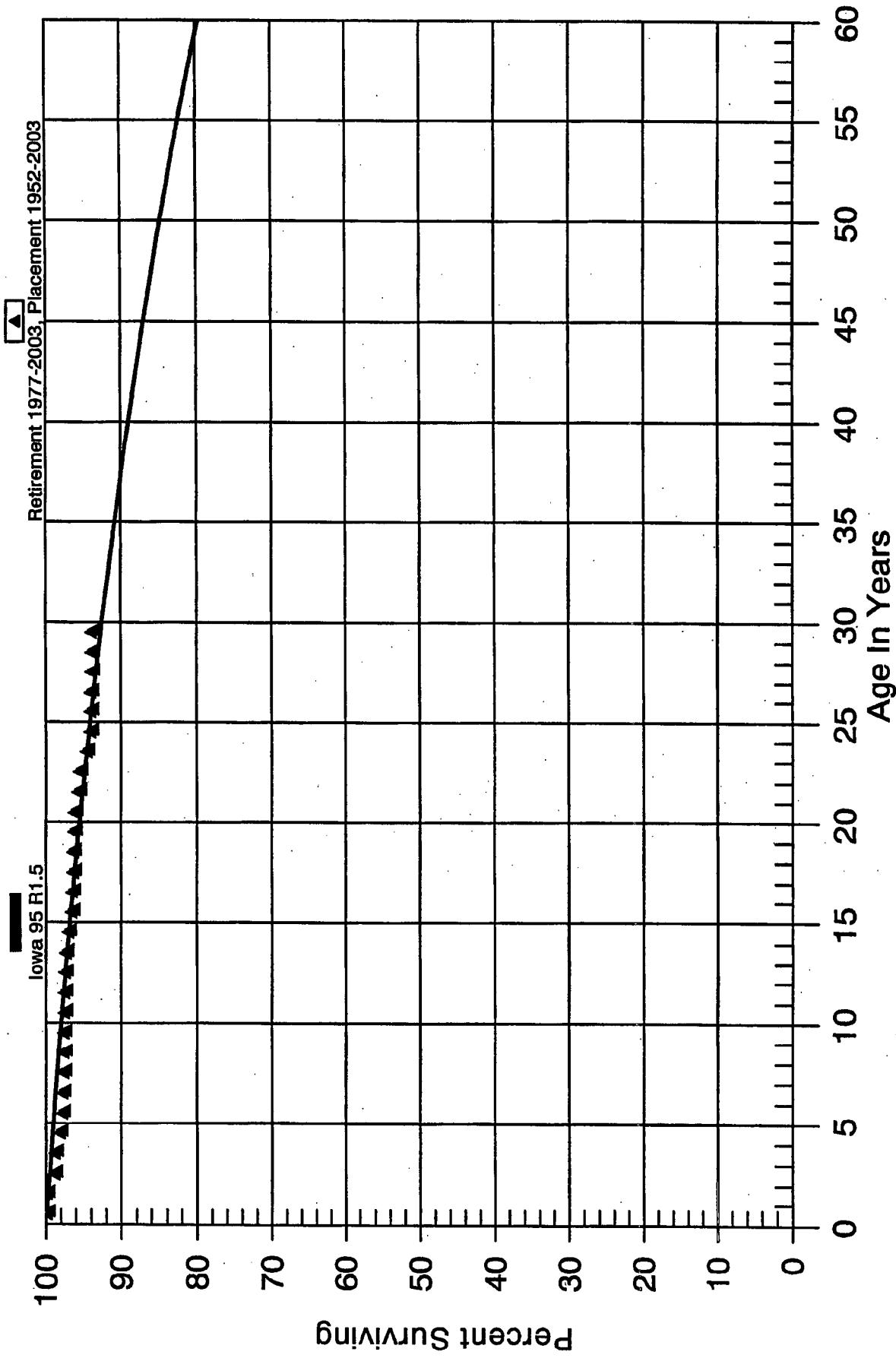
Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1903 TO 2000

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
73.5 - 74.5	\$5,110.60	\$1,200.00	0.23481	14.36
74.5 - 75.5	\$3,910.60	\$985.10	0.25191	10.99
75.5 - 76.5	\$2,925.50	\$0.00	0.00000	8.22
76.5 - 77.5	\$2,925.50	\$0.00	0.00000	8.22
77.5 - 78.5	\$2,925.50	\$0.00	0.00000	8.22
78.5 - 79.5	\$0.00	\$0.00	0.00000	8.22
79.5 - 80.5	\$0.00	\$0.00	0.00000	8.22
80.5 - 81.5	\$0.00	\$0.00	0.00000	8.22
81.5 - 82.5	\$0.00	\$0.00	0.00000	8.22
82.5 - 83.5	\$0.00	\$0.00	0.00000	8.22
83.5 - 84.5	\$0.00	\$0.00	0.00000	8.22
84.5 - 85.5	\$0.00	\$0.00	0.00000	8.22
85.5 - 86.5	\$0.00	\$0.00	0.00000	8.22
86.5 - 87.5	\$0.00	\$0.00	0.00000	8.22
87.5 - 88.5	\$0.00	\$0.00	0.00000	8.22
88.5 - 89.5	\$0.00	\$0.00	0.00000	8.22
89.5 - 90.5	\$0.00	\$0.00	0.00000	8.22
90.5 - 91.5	\$0.00	\$0.00	0.00000	8.22
91.5 - 92.5	\$0.00	\$0.00	0.00000	8.22
92.5 - 93.5	\$0.00	\$0.00	0.00000	8.22
93.5 - 94.5	\$0.00	\$0.00	0.00000	8.22
94.5 - 95.5	\$0.00	\$0.00	0.00000	8.22
95.5 - 96.5	\$0.00	\$0.00	0.00000	8.22
96.5 - 97.5	\$0.00	\$0.00	0.00000	8.22
97.5 - 98.5	\$0.00	\$0.00	0.00000	8.22
98.5 - 99.5	\$0.00	\$0.00	0.00000	8.22
99.5 - 100.5	\$0.00	\$0.00	0.00000	8.22

Bay State Gas Company

Total Company
375.70 (390.00) STRUCTURES AND IMPROVEMENTS
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company
375.70 (390.00) STRUCTURES AND IMPROVEMENTS

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1952 TO 2003

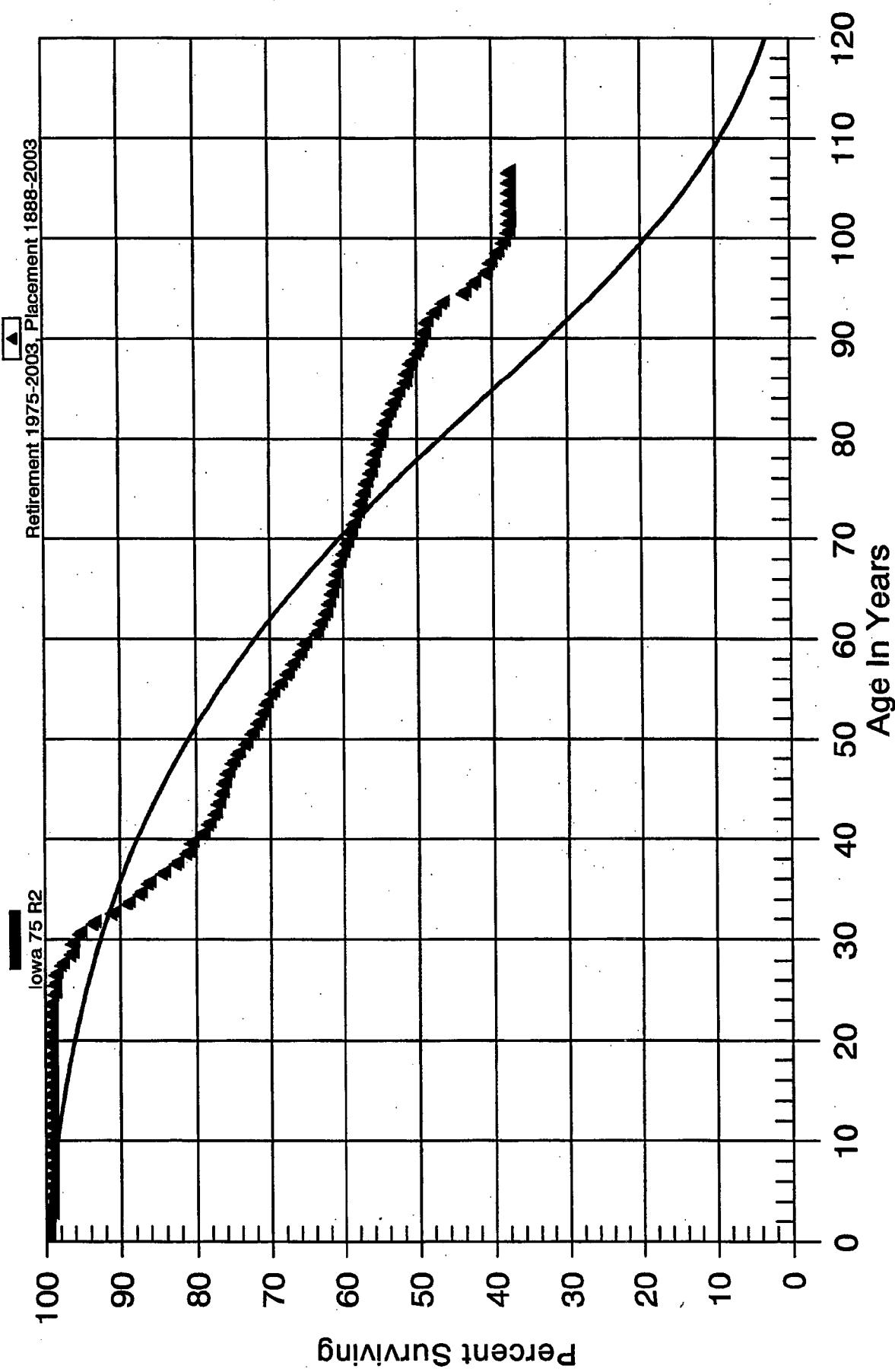
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$15,187,571.95	\$0.00	0.00000	100.00
0.5 - 1.5	\$15,202,377.72	\$0.00	0.00000	100.00
1.5 - 2.5	\$15,215,341.46	\$159,434.15	0.01048	100.00
2.5 - 3.5	\$14,669,787.44	\$10,713.97	0.00073	98.95
3.5 - 4.5	\$14,593,736.00	\$97,982.36	0.00671	98.88
4.5 - 5.5	\$14,574,804.95	\$51,052.65	0.00350	98.22
5.5 - 6.5	\$14,500,789.20	\$8,339.57	0.00058	97.87
6.5 - 7.5	\$3,992,859.88	\$4,496.74	0.00113	97.82
7.5 - 8.5	\$5,942,962.31	\$1,103.94	0.00019	97.71
8.5 - 9.5	\$6,303,687.63	\$586.56	0.00009	97.69
9.5 - 10.5	\$5,719,578.30	\$5,602.66	0.00098	97.68
10.5 - 11.5	\$5,575,632.26	\$0.00	0.00000	97.58
11.5 - 12.5	\$5,628,897.72	\$4,717.81	0.00084	97.58
12.5 - 13.5	\$5,247,851.50	\$6,592.58	0.00126	97.50
13.5 - 14.5	\$4,987,388.60	\$16,955.72	0.00340	97.38
14.5 - 15.5	\$4,817,871.77	\$21,642.66	0.00449	97.05
15.5 - 16.5	\$4,695,185.22	\$4,125.17	0.00088	96.61
16.5 - 17.5	\$4,800,965.09	\$5,883.59	0.00127	96.53
17.5 - 18.5	\$4,419,399.72	\$0.00	0.00000	96.40
18.5 - 19.5	\$4,339,401.05	\$5,054.20	0.00116	96.40
19.5 - 20.5	\$4,160,913.48	\$3,890.05	0.00093	96.29
20.5 - 21.5	\$4,135,188.83	\$19,577.10	0.00473	96.20
21.5 - 22.5	\$4,111,439.99	\$9,650.49	0.00235	95.75
22.5 - 23.5	\$4,101,789.50	\$37,947.39	0.00925	95.52
23.5 - 24.5	\$4,049,895.53	\$22,509.26	0.00556	94.64
24.5 - 25.5	\$3,998,873.54	\$1,708.00	0.00043	94.11
25.5 - 26.5	\$3,936,752.83	\$239.80	0.00006	94.07
26.5 - 27.5	\$3,899,065.53	\$3,886.56	0.00100	94.07
27.5 - 28.5	\$3,849,558.91	\$0.00	0.00000	93.97
28.5 - 29.5	\$3,758,492.87	\$0.00	0.00000	93.97
29.5 - 30.5	\$3,736,016.99	\$0.00	0.00000	93.97
30.5 - 31.5	\$3,693,923.26	\$0.00	0.00000	93.97
31.5 - 32.5	\$3,586,664.89	\$0.00	0.00000	93.97
32.5 - 33.5	\$3,555,148.09	\$0.00	0.00000	93.97
33.5 - 34.5	\$2,861,980.53	\$0.00	0.00000	93.97
34.5 - 35.5	\$793,194.38	\$0.00	0.00000	93.97
35.5 - 36.5	\$199,575.39	\$0.00	0.00000	93.97

Bay State Gas Company
Total Company
375.70 (390.00) STRUCTURES AND IMPROVEMENTS

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1952 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$105,281.57	\$0.00	0.00000	93.97
37.5 - 38.5	\$89,226.81	\$0.00	0.00000	93.97
38.5 - 39.5	\$0.00	\$0.00	0.00000	93.97
39.5 - 40.5	\$0.00	\$0.00	0.00000	93.97
40.5 - 41.5	\$0.00	\$0.00	0.00000	93.97
41.5 - 42.5	\$0.00	\$0.00	0.00000	93.97
42.5 - 43.5	\$0.00	\$0.00	0.00000	93.97
43.5 - 44.5	\$0.00	\$0.00	0.00000	93.97
44.5 - 45.5	\$0.00	\$0.00	0.00000	93.97
45.5 - 46.5	\$0.00	\$0.00	0.00000	93.97
46.5 - 47.5	\$0.00	\$0.00	0.00000	93.97
47.5 - 48.5	\$0.00	\$0.00	0.00000	93.97
48.5 - 49.5	\$0.00	\$0.00	0.00000	93.97
49.5 - 50.5	\$0.00	\$0.00	0.00000	93.97
50.5 - 51.5	\$0.00	\$0.00	0.00000	93.97

Bay State Gas Company
Total Company
376.10 (367.10) CAST IRON MAINS
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

376.10 (367.10) CAST IRON MAINS

Observed Life Table

Retirement Expr. 1975 TO 2003

Placement Years 1888 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$718,552.89	\$0.00	0.00000	100.00
0.5 - 1.5	\$665,999.23	\$0.00	0.00000	100.00
1.5 - 2.5	\$457,914.90	\$2,401.30	0.00524	100.00
2.5 - 3.5	\$326,259.17	\$0.00	0.00000	99.48
3.5 - 4.5	\$46,540.52	\$0.00	0.00000	99.48
4.5 - 5.5	\$0.00	\$0.00	0.00000	99.48
5.5 - 6.5	\$0.00	\$0.00	0.00000	99.48
6.5 - 7.5	\$0.00	\$0.00	0.00000	99.48
7.5 - 8.5	\$0.00	\$0.00	0.00000	99.48
8.5 - 9.5	\$34,783.60	\$0.00	0.00000	99.48
9.5 - 10.5	\$57,484.28	\$0.00	0.00000	99.48
10.5 - 11.5	\$91,423.70	\$0.00	0.00000	99.48
11.5 - 12.5	\$125,050.26	\$0.00	0.00000	99.48
12.5 - 13.5	\$187,719.66	\$0.00	0.00000	99.48
13.5 - 14.5	\$285,667.25	\$0.00	0.00000	99.48
14.5 - 15.5	\$434,680.16	\$0.00	0.00000	99.48
15.5 - 16.5	\$516,801.65	\$0.00	0.00000	99.48
16.5 - 17.5	\$654,154.97	\$0.00	0.00000	99.48
17.5 - 18.5	\$847,012.57	\$0.00	0.00000	99.48
18.5 - 19.5	\$971,556.05	\$0.00	0.00000	99.48
19.5 - 20.5	\$1,095,032.05	\$0.00	0.00000	99.48
20.5 - 21.5	\$1,160,311.64	\$0.00	0.00000	99.48
21.5 - 22.5	\$1,205,768.96	\$0.00	0.00000	99.48
22.5 - 23.5	\$1,265,194.67	\$0.00	0.00000	99.48
23.5 - 24.5	\$1,413,139.32	\$7,165.96	0.00507	99.48
24.5 - 25.5	\$1,523,095.25	\$0.00	0.00000	98.97
25.5 - 26.5	\$1,653,672.91	\$2,822.94	0.00171	98.97
26.5 - 27.5	\$1,809,608.14	\$15,371.53	0.00849	98.80
27.5 - 28.5	\$1,902,679.01	\$25,329.85	0.01331	97.96
28.5 - 29.5	\$1,975,460.63	\$2,528.88	0.00128	96.66
29.5 - 30.5	\$2,024,890.30	\$20,983.72	0.01036	96.54
30.5 - 31.5	\$2,025,107.94	\$37,509.02	0.01852	95.53
31.5 - 32.5	\$2,016,391.41	\$53,777.79	0.02667	93.77
32.5 - 33.5	\$1,975,899.70	\$44,692.79	0.02262	91.26
33.5 - 34.5	\$1,962,182.44	\$35,257.11	0.01797	89.20
34.5 - 35.5	\$1,991,113.92	\$25,781.07	0.01295	87.60
35.5 - 36.5	\$2,031,945.30	\$43,915.65	0.02161	86.46

Bay State Gas Company

Total Company

376.10 (367.10) CAST IRON MAINS

Observed Life Table

Retirement Expr. 1975 TO 2003

Placement Years 1888 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$2,050,488.70	\$43,352.24	0.02114	84.59
37.5 - 38.5	\$2,031,550.07	\$34,304.09	0.01689	82.81
38.5 - 39.5	\$2,028,122.72	\$14,518.73	0.00716	81.41
39.5 - 40.5	\$2,034,218.62	\$36,844.90	0.01811	80.82
40.5 - 41.5	\$2,007,756.54	\$21,797.33	0.01086	79.36
41.5 - 42.5	\$1,998,846.34	\$21,359.04	0.01069	78.50
42.5 - 43.5	\$1,979,017.35	\$10,179.03	0.00514	77.66
43.5 - 44.5	\$1,932,798.49	\$11,237.85	0.00591	77.26
44.5 - 45.5	\$2,020,056.59	\$7,664.75	0.00379	76.81
45.5 - 46.5	\$2,122,653.70	\$13,992.45	0.00659	76.52
46.5 - 47.5	\$2,079,610.31	\$17,456.94	0.00839	76.02
47.5 - 48.5	\$2,124,387.69	\$21,071.79	0.00992	75.38
48.5 - 49.5	\$2,196,598.38	\$31,768.32	0.01446	74.63
49.5 - 50.5	\$2,294,937.19	\$26,041.69	0.01135	73.55
50.5 - 51.5	\$2,397,436.45	\$27,181.87	0.01134	72.72
51.5 - 52.5	\$2,514,614.46	\$22,167.91	0.00882	71.89
52.5 - 53.5	\$2,513,806.94	\$17,641.03	0.00702	71.26
53.5 - 54.5	\$2,481,531.04	\$30,179.58	0.01216	70.76
54.5 - 55.5	\$2,422,260.15	\$35,753.30	0.01476	69.90
55.5 - 56.5	\$2,294,583.78	\$32,338.64	0.01409	68.87
56.5 - 57.5	\$2,223,009.13	\$25,064.98	0.01128	67.90
57.5 - 58.5	\$2,204,347.52	\$31,212.20	0.01416	67.13
58.5 - 59.5	\$2,321,975.73	\$23,559.44	0.01015	66.18
59.5 - 60.5	\$2,376,525.71	\$58,290.49	0.02453	65.51
60.5 - 61.5	\$2,482,083.15	\$21,044.99	0.00848	63.90
61.5 - 62.5	\$2,562,332.98	\$29,456.10	0.01150	63.36
62.5 - 63.5	\$2,641,716.57	\$17,418.48	0.00659	62.63
63.5 - 64.5	\$2,734,537.47	\$17,902.97	0.00655	62.22
64.5 - 65.5	\$3,359,636.93	\$17,464.60	0.00520	61.81
65.5 - 66.5	\$3,333,987.88	\$20,731.77	0.00622	61.49
66.5 - 67.5	\$3,300,948.05	\$18,988.76	0.00575	61.11
67.5 - 68.5	\$3,279,753.32	\$28,931.88	0.00864	60.76
68.5 - 69.5	\$3,273,484.43	\$30,339.30	0.00927	60.23
69.5 - 70.5	\$3,337,831.94	\$27,706.73	0.00830	59.67
70.5 - 71.5	\$3,306,252.89	\$25,017.39	0.00757	59.18
71.5 - 72.5	\$3,273,125.01	\$30,325.66	0.00927	58.73
72.5 - 73.5	\$3,222,300.00	\$20,371.53	0.00632	58.18

Bay State Gas Company
Total Company
376.10 (367.10) CAST IRON MAINS

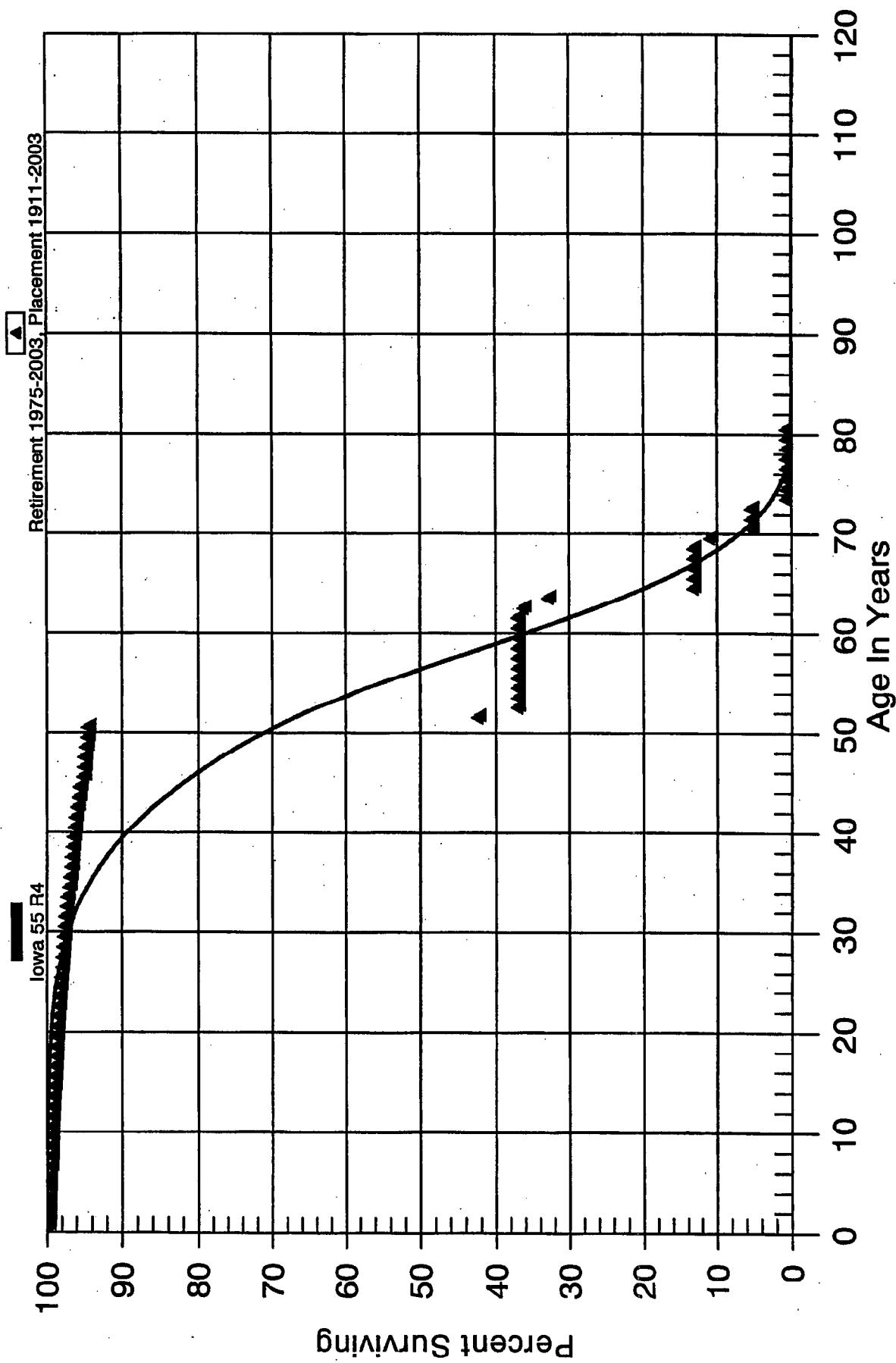
Observed Life Table
Retirement Expr. 1975 TO 2003
Placement Years 1888 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
73.5 - 74.5	\$3,234,850.02	\$25,978.04	0.00803	57.82
74.5 - 75.5	\$3,082,518.58	\$17,736.03	0.00575	57.35
75.5 - 76.5	\$3,001,807.73	\$31,375.93	0.01045	57.02
76.5 - 77.5	\$2,863,647.37	\$15,777.96	0.00551	56.43
77.5 - 78.5	\$2,723,319.93	\$12,537.14	0.00460	56.12
78.5 - 79.5	\$2,541,190.55	\$27,183.92	0.01070	55.86
79.5 - 80.5	\$2,387,495.46	\$13,859.95	0.00581	55.26
80.5 - 81.5	\$2,211,597.85	\$17,309.25	0.00783	54.94
81.5 - 82.5	\$2,129,476.68	\$24,075.36	0.01131	54.51
82.5 - 83.5	\$2,057,751.48	\$23,490.23	0.01142	53.89
83.5 - 84.5	\$1,981,044.83	\$22,213.11	0.01121	53.28
84.5 - 85.5	\$1,917,111.56	\$33,989.58	0.01773	52.68
85.5 - 86.5	\$1,835,238.04	\$6,825.84	0.00372	51.75
86.5 - 87.5	\$1,761,898.97	\$18,423.55	0.01046	51.55
87.5 - 88.5	\$1,580,579.50	\$27,222.60	0.01722	51.01
88.5 - 89.5	\$1,482,029.05	\$14,298.42	0.00965	50.14
89.5 - 90.5	\$1,297,646.11	\$10,495.43	0.00809	49.65
90.5 - 91.5	\$1,195,673.80	\$8,782.94	0.00735	49.25
91.5 - 92.5	\$1,086,450.64	\$24,427.54	0.02248	48.89
92.5 - 93.5	\$925,611.72	\$20,939.56	0.02262	47.79
93.5 - 94.5	\$360,373.91	\$21,551.11	0.05980	46.71
94.5 - 95.5	\$308,781.31	\$9,366.48	0.03033	43.92
95.5 - 96.5	\$280,613.05	\$10,283.76	0.03665	42.58
96.5 - 97.5	\$242,961.35	\$3,730.38	0.01535	41.02
97.5 - 98.5	\$188,929.72	\$4,268.67	0.02259	40.39
98.5 - 99.5	\$106,649.48	\$2,190.39	0.02054	39.48
99.5 - 100.5	\$91,102.71	\$1,496.32	0.01642	38.67
100.5 - 101.5	\$79,058.14	\$224.59	0.00284	38.03
101.5 - 102.5	\$74,831.23	\$0.00	0.00000	37.93
102.5 - 103.5	\$21,765.33	\$0.00	0.00000	37.93
103.5 - 104.5	\$21,753.88	\$0.00	0.00000	37.93
104.5 - 105.5	\$21,753.88	\$0.00	0.00000	37.93
105.5 - 106.5	\$21,753.88	\$0.00	0.00000	37.93

Bay State Gas Company

Total Company

376.20 (367.20) STEEL MAINS - COATED/WWRAPPED
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

376.20 (367.20) STEEL MAINS - COATED/WRAPPED

Observed Life Table

Retirement Expr. 1975 TO 2003

Placement Years 1911 TO 2003

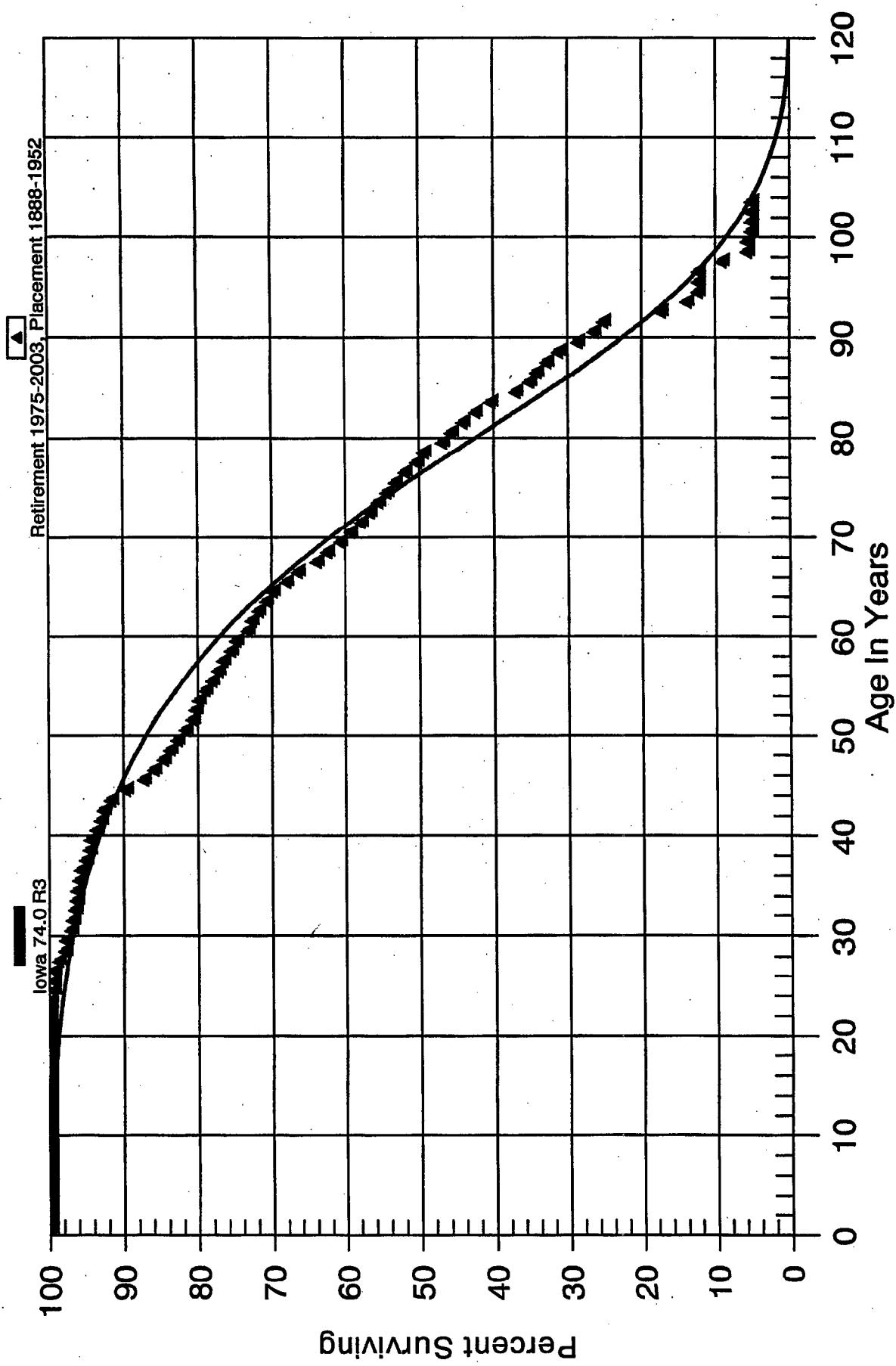
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$90,534,041.64	\$970.22	0.00001	100.00
0.5 - 1.5	\$91,220,283.05	\$57,734.10	0.00063	100.00
1.5 - 2.5	\$91,756,147.33	\$42,874.41	0.00047	99.94
2.5 - 3.5	\$91,917,992.62	\$50,593.45	0.00055	99.89
3.5 - 4.5	\$92,412,925.11	\$39,862.81	0.00043	99.83
4.5 - 5.5	\$92,372,872.90	\$17,985.68	0.00019	99.79
5.5 - 6.5	\$93,651,343.11	\$145,276.05	0.00155	99.77
6.5 - 7.5	\$95,340,181.03	\$42,647.20	0.00045	99.62
7.5 - 8.5	\$96,303,789.86	\$23,067.76	0.00024	99.57
8.5 - 9.5	\$94,874,020.78	\$70,556.03	0.00074	99.55
9.5 - 10.5	\$96,243,236.77	\$18,371.46	0.00019	99.47
10.5 - 11.5	\$77,577,200.51	\$49,821.44	0.00064	99.46
11.5 - 12.5	\$79,693,867.12	\$50,782.67	0.00064	99.39
12.5 - 13.5	\$81,725,405.52	\$59,447.20	0.00073	99.33
13.5 - 14.5	\$83,047,430.11	\$98,803.06	0.00119	99.26
14.5 - 15.5	\$82,987,366.09	\$42,813.55	0.00052	99.14
15.5 - 16.5	\$82,694,977.70	\$71,745.63	0.00087	99.09
16.5 - 17.5	\$82,751,785.92	\$66,012.50	0.00080	99.00
17.5 - 18.5	\$82,863,305.75	\$48,058.09	0.00058	98.92
18.5 - 19.5	\$81,963,213.27	\$81,363.57	0.00099	98.86
19.5 - 20.5	\$79,849,102.33	\$45,659.31	0.00057	98.77
20.5 - 21.5	\$78,265,001.70	\$57,476.20	0.00073	98.71
21.5 - 22.5	\$77,031,616.79	\$69,906.18	0.00091	98.64
22.5 - 23.5	\$74,153,892.01	\$76,667.54	0.00103	98.55
23.5 - 24.5	\$71,109,503.74	\$111,206.48	0.00156	98.45
24.5 - 25.5	\$67,392,312.57	\$62,465.30	0.00093	98.29
25.5 - 26.5	\$63,775,226.68	\$90,138.73	0.00141	98.20
26.5 - 27.5	\$60,926,500.61	\$43,980.86	0.00072	98.06
27.5 - 28.5	\$57,881,383.60	\$39,495.81	0.00068	97.99
28.5 - 29.5	\$55,068,446.34	\$78,503.68	0.00143	97.92
29.5 - 30.5	\$52,895,228.75	\$45,702.57	0.00086	97.78
30.5 - 31.5	\$49,992,871.67	\$31,644.63	0.00063	97.70
31.5 - 32.5	\$46,066,205.38	\$95,993.69	0.00208	97.64
32.5 - 33.5	\$42,901,027.54	\$47,122.55	0.00110	97.43
33.5 - 34.5	\$39,910,480.65	\$99,370.74	0.00249	97.33
34.5 - 35.5	\$35,417,768.45	\$50,748.99	0.00143	97.09
35.5 - 36.5	\$31,063,597.07	\$49,789.97	0.00160	96.95

Bay State Gas Company
Total Company
376.20 (367.20) STEEL MAINS - COATED/WRAPPED

Observed Life Table
Retirement Expr. 1975 TO 2003
Placement Years 1911 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$28,178,255.60	\$29,180.27	0.00104	96.79
37.5 - 38.5	\$24,904,399.41	\$21,395.85	0.00086	96.69
38.5 - 39.5	\$21,309,267.35	\$31,763.93	0.00149	96.61
39.5 - 40.5	\$18,320,221.24	\$24,057.28	0.00131	96.46
40.5 - 41.5	\$15,203,412.88	\$21,393.10	0.00141	96.34
41.5 - 42.5	\$12,197,490.57	\$26,213.88	0.00215	96.20
42.5 - 43.5	\$9,904,588.06	\$20,880.47	0.00211	95.99
43.5 - 44.5	\$8,367,644.53	\$8,028.21	0.00096	95.79
44.5 - 45.5	\$6,557,787.78	\$34,073.68	0.00520	95.70
45.5 - 46.5	\$5,290,133.84	\$8,110.99	0.00153	95.20
46.5 - 47.5	\$3,795,727.38	\$829.71	0.00022	95.06
47.5 - 48.5	\$2,514,747.14	\$5,603.61	0.00223	95.04
48.5 - 49.5	\$1,571,773.89	\$2,351.51	0.00150	94.82
49.5 - 50.5	\$863,913.83	\$999.92	0.00116	94.68
50.5 - 51.5	\$12,563.38	\$6,916.96	0.55057	94.57
51.5 - 52.5	\$6,493.46	\$822.16	0.12661	42.50
52.5 - 53.5	\$6,464.80	\$0.00	0.00000	37.12
53.5 - 54.5	\$6,464.80	\$0.00	0.00000	37.12
54.5 - 55.5	\$6,464.80	\$0.00	0.00000	37.12
55.5 - 56.5	\$7,129.10	\$0.00	0.00000	37.12
56.5 - 57.5	\$7,129.10	\$0.00	0.00000	37.12
57.5 - 58.5	\$7,129.10	\$0.00	0.00000	37.12
58.5 - 59.5	\$7,129.10	\$0.00	0.00000	37.12
59.5 - 60.5	\$7,129.10	\$0.00	0.00000	37.12
60.5 - 61.5	\$7,129.10	\$0.00	0.00000	37.12
61.5 - 62.5	\$7,129.10	\$159.04	0.02231	37.12
62.5 - 63.5	\$6,466.88	\$596.92	0.09230	36.29
63.5 - 64.5	\$5,989.96	\$3,565.12	0.59518	32.94
64.5 - 65.5	\$2,424.84	\$0.00	0.00000	13.34
65.5 - 66.5	\$2,424.84	\$0.00	0.00000	13.34
66.5 - 67.5	\$2,424.84	\$0.00	0.00000	13.34
67.5 - 68.5	\$2,424.84	\$0.00	0.00000	13.34
68.5 - 69.5	\$1,903.56	\$325.76	0.17113	13.34
69.5 - 70.5	\$1,577.80	\$793.50	0.50292	11.05
70.5 - 71.5	\$784.30	\$0.00	0.00000	5.49
71.5 - 72.5	\$784.30	\$0.00	0.00000	5.49
72.5 - 73.5	\$784.30	\$664.30	0.84700	5.49

Bay State Gas Company
Total Company
376.30 (367.30) STEEL MAINS - BARE
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company

376.30 (367.30) STEEL MAINS - BARE

Observed Life Table
Retirement Expr. 1975 TO 2003
Placement Years 1888 TO 1952

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$0.00	\$0.00	0.00000	100.00
0.5 - 1.5	\$0.00	\$0.00	0.00000	100.00
1.5 - 2.5	\$0.00	\$0.00	0.00000	100.00
2.5 - 3.5	\$0.00	\$0.00	0.00000	100.00
3.5 - 4.5	\$0.00	\$0.00	0.00000	100.00
4.5 - 5.5	\$0.00	\$0.00	0.00000	100.00
5.5 - 6.5	\$0.00	\$0.00	0.00000	100.00
6.5 - 7.5	\$0.00	\$0.00	0.00000	100.00
7.5 - 8.5	\$0.00	\$0.00	0.00000	100.00
8.5 - 9.5	\$0.00	\$0.00	0.00000	100.00
9.5 - 10.5	\$0.00	\$0.00	0.00000	100.00
10.5 - 11.5	\$0.00	\$0.00	0.00000	100.00
11.5 - 12.5	\$0.00	\$0.00	0.00000	100.00
12.5 - 13.5	\$0.00	\$0.00	0.00000	100.00
13.5 - 14.5	\$0.00	\$0.00	0.00000	100.00
14.5 - 15.5	\$0.00	\$0.00	0.00000	100.00
15.5 - 16.5	\$0.00	\$0.00	0.00000	100.00
16.5 - 17.5	\$0.00	\$0.00	0.00000	100.00
17.5 - 18.5	\$0.00	\$0.00	0.00000	100.00
18.5 - 19.5	\$0.00	\$0.00	0.00000	100.00
19.5 - 20.5	\$0.00	\$0.00	0.00000	100.00
20.5 - 21.5	\$0.00	\$0.00	0.00000	100.00
21.5 - 22.5	\$0.00	\$0.00	0.00000	100.00
22.5 - 23.5	\$465,757.64	\$0.00	0.00000	100.00
23.5 - 24.5	\$931,687.16	\$3,858.59	0.00414	100.00
24.5 - 25.5	\$1,129,949.87	\$0.00	0.00000	99.59
25.5 - 26.5	\$1,327,480.56	\$1,520.05	0.00115	99.59
26.5 - 27.5	\$1,421,758.49	\$8,276.97	0.00582	99.47
27.5 - 28.5	\$1,474,012.49	\$13,632.32	0.00925	98.89
28.5 - 29.5	\$1,579,248.59	\$1,361.71	0.00086	97.98
29.5 - 30.5	\$1,628,197.41	\$11,018.79	0.00677	97.89
30.5 - 31.5	\$1,638,778.33	\$4,676.85	0.00285	97.23
31.5 - 32.5	\$1,645,164.00	\$5,326.31	0.00324	96.95
32.5 - 33.5	\$1,668,480.29	\$3,798.48	0.00228	96.64
33.5 - 34.5	\$1,706,471.17	\$1,593.83	0.00093	96.42
34.5 - 35.5	\$1,731,908.89	\$4,995.07	0.00288	96.33
35.5 - 36.5	\$1,741,616.54	\$3,782.64	0.00217	96.05

Bay State Gas Company
Total Company
376.30 (367.30) STEEL MAINS - BARE

Observed Life Table
Retirement Expr. 1975 TO 2003
Placement Years 1888 TO 1952

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$1,756,499.51	\$12,303.49	0.00700	95.84
37.5 - 38.5	\$1,761,059.14	\$9,376.18	0.00532	95.17
38.5 - 39.5	\$1,772,136.28	\$2,377.58	0.00134	94.67
39.5 - 40.5	\$1,787,586.87	\$14,604.69	0.00817	94.54
40.5 - 41.5	\$1,783,678.36	\$10,960.54	0.00614	93.77
41.5 - 42.5	\$1,786,679.61	\$7,243.41	0.00405	93.19
42.5 - 43.5	\$1,803,815.32	\$18,847.68	0.01045	92.81
43.5 - 44.5	\$1,887,427.07	\$40,679.58	0.02155	91.84
44.5 - 45.5	\$2,073,790.00	\$56,423.58	0.02721	89.86
45.5 - 46.5	\$2,248,571.86	\$35,243.31	0.01567	87.42
46.5 - 47.5	\$2,477,364.78	\$36,966.49	0.01492	86.05
47.5 - 48.5	\$2,681,991.52	\$27,958.70	0.01042	84.76
48.5 - 49.5	\$2,824,820.08	\$33,261.16	0.01177	83.88
49.5 - 50.5	\$2,835,514.06	\$37,676.03	0.01329	82.89
50.5 - 51.5	\$2,839,806.21	\$33,315.01	0.01173	81.79
51.5 - 52.5	\$2,454,012.57	\$12,262.86	0.00500	80.83
52.5 - 53.5	\$2,082,963.43	\$11,080.03	0.00532	80.43
53.5 - 54.5	\$1,965,803.88	\$20,530.17	0.01044	80.00
54.5 - 55.5	\$1,816,836.31	\$21,737.05	0.01196	79.16
55.5 - 56.5	\$1,731,038.52	\$18,259.61	0.01055	78.22
56.5 - 57.5	\$1,681,280.18	\$14,886.20	0.00885	77.39
57.5 - 58.5	\$1,615,320.51	\$21,259.28	0.01316	76.71
58.5 - 59.5	\$1,682,278.89	\$16,405.67	0.00975	75.70
59.5 - 60.5	\$1,681,988.98	\$33,889.88	0.02015	74.96
60.5 - 61.5	\$1,655,617.23	\$13,219.38	0.00798	73.45
61.5 - 62.5	\$1,662,287.27	\$20,821.25	0.01253	72.86
62.5 - 63.5	\$1,697,301.55	\$24,241.27	0.01428	71.95
63.5 - 64.5	\$1,665,270.22	\$22,075.59	0.01326	70.92
64.5 - 65.5	\$1,706,494.99	\$44,345.03	0.02599	69.98
65.5 - 66.5	\$1,661,474.48	\$37,678.55	0.02268	68.16
66.5 - 67.5	\$1,623,922.41	\$62,749.37	0.03864	66.62
67.5 - 68.5	\$1,555,763.19	\$34,132.74	0.02194	64.04
68.5 - 69.5	\$1,516,792.05	\$43,041.51	0.02838	62.64
69.5 - 70.5	\$1,482,702.27	\$34,958.94	0.02358	60.86
70.5 - 71.5	\$1,442,712.49	\$34,805.47	0.02413	59.43
71.5 - 72.5	\$1,397,795.16	\$29,292.85	0.02096	57.99
72.5 - 73.5	\$1,297,651.87	\$25,519.57	0.01967	56.78

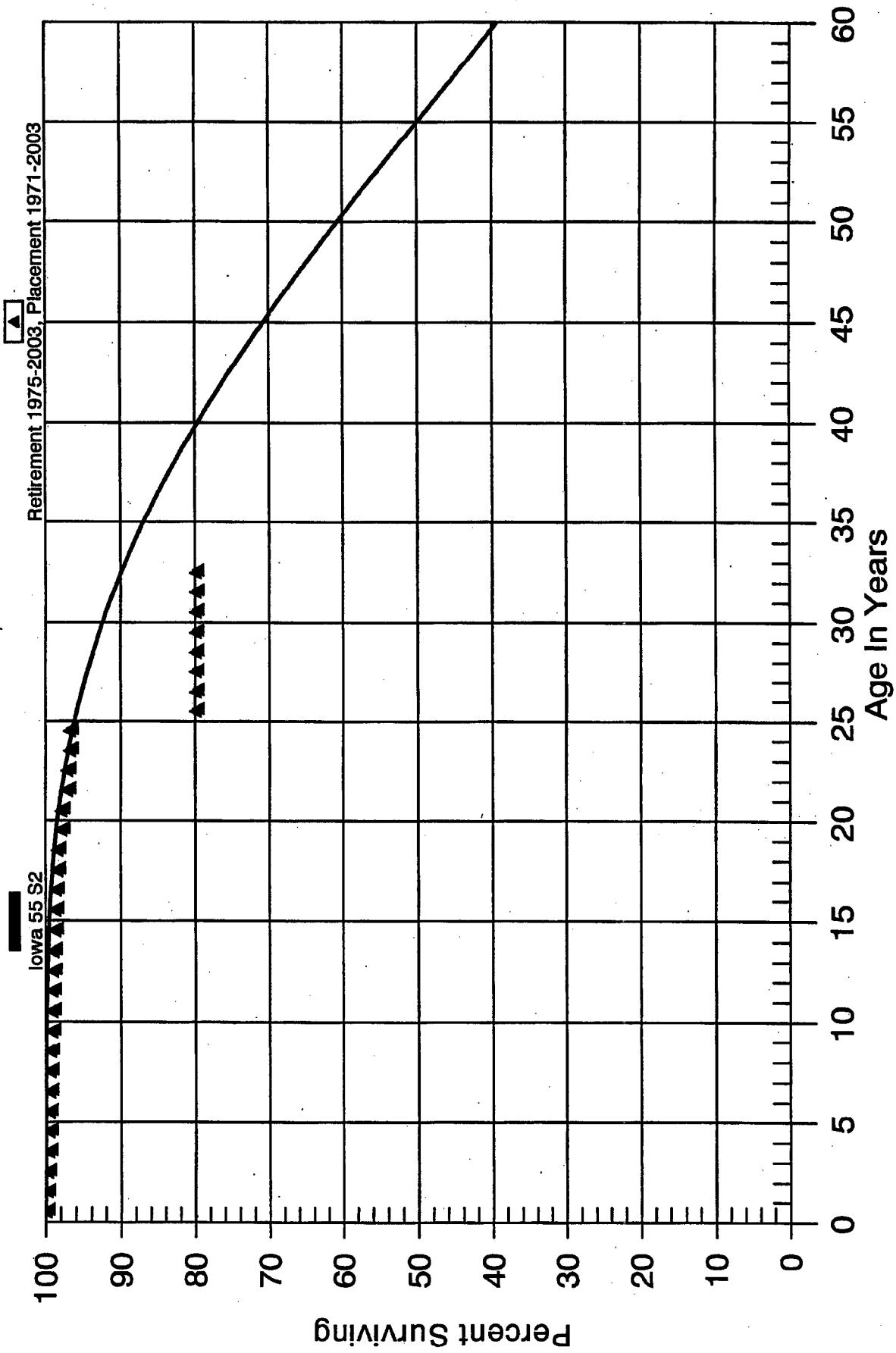
Bay State Gas Company
Total Company

376.30 (367.30) STEEL MAINS - BARE

Observed Life Table
Retirement Expr. 1975 TO 2003
Placement Years 1888 TO 1952

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
73.5 - 74.5	\$1,176,816.53	\$23,430.76	0.01991	55.66
74.5 - 75.5	\$996,266.02	\$22,011.26	0.02209	54.55
75.5 - 76.5	\$801,004.35	\$18,884.16	0.02358	53.35
76.5 - 77.5	\$604,286.10	\$18,414.95	0.03047	52.09
77.5 - 78.5	\$476,829.16	\$9,027.31	0.01893	50.50
78.5 - 79.5	\$449,877.39	\$22,265.91	0.04949	49.55
79.5 - 80.5	\$413,246.57	\$10,295.15	0.02491	47.09
80.5 - 81.5	\$395,346.07	\$14,043.91	0.03552	45.92
81.5 - 82.5	\$369,752.59	\$14,160.01	0.03830	44.29
82.5 - 83.5	\$340,694.99	\$16,521.64	0.04849	42.59
83.5 - 84.5	\$301,282.91	\$25,438.61	0.08443	40.53
84.5 - 85.5	\$273,474.55	\$13,061.23	0.04776	37.11
85.5 - 86.5	\$258,469.14	\$7,330.77	0.02836	35.33
86.5 - 87.5	\$236,373.50	\$9,484.40	0.04012	34.33
87.5 - 88.5	\$136,569.02	\$6,409.53	0.04693	32.95
88.5 - 89.5	\$108,893.96	\$9,009.47	0.08274	31.41
89.5 - 90.5	\$93,717.16	\$7,087.15	0.07562	28.81
90.5 - 91.5	\$64,805.98	\$3,275.32	0.05054	26.63
91.5 - 92.5	\$20,747.62	\$6,430.86	0.30996	25.28
92.5 - 93.5	\$11,964.81	\$2,390.68	0.19981	17.45
93.5 - 94.5	\$4,854.96	\$552.16	0.11373	13.96
94.5 - 95.5	\$4,302.80	\$0.00	0.00000	12.37
95.5 - 96.5	\$4,302.80	\$0.00	0.00000	12.37
96.5 - 97.5	\$4,302.80	\$1,102.97	0.25634	12.37
97.5 - 98.5	\$3,199.83	\$1,192.94	0.37281	9.20
98.5 - 99.5	\$1,149.93	\$0.00	0.00000	5.77
99.5 - 100.5	\$1,149.93	\$101.53	0.08829	5.77
100.5 - 101.5	\$1,048.40	\$0.00	0.00000	5.26
101.5 - 102.5	\$1,048.40	\$0.00	0.00000	5.26
102.5 - 103.5	\$1,048.40	\$0.00	0.00000	5.26

Bay State Gas Company
Total Company
376.40 (367.40) PLASTIC MAINS
Original And Smooth Survivor Curves



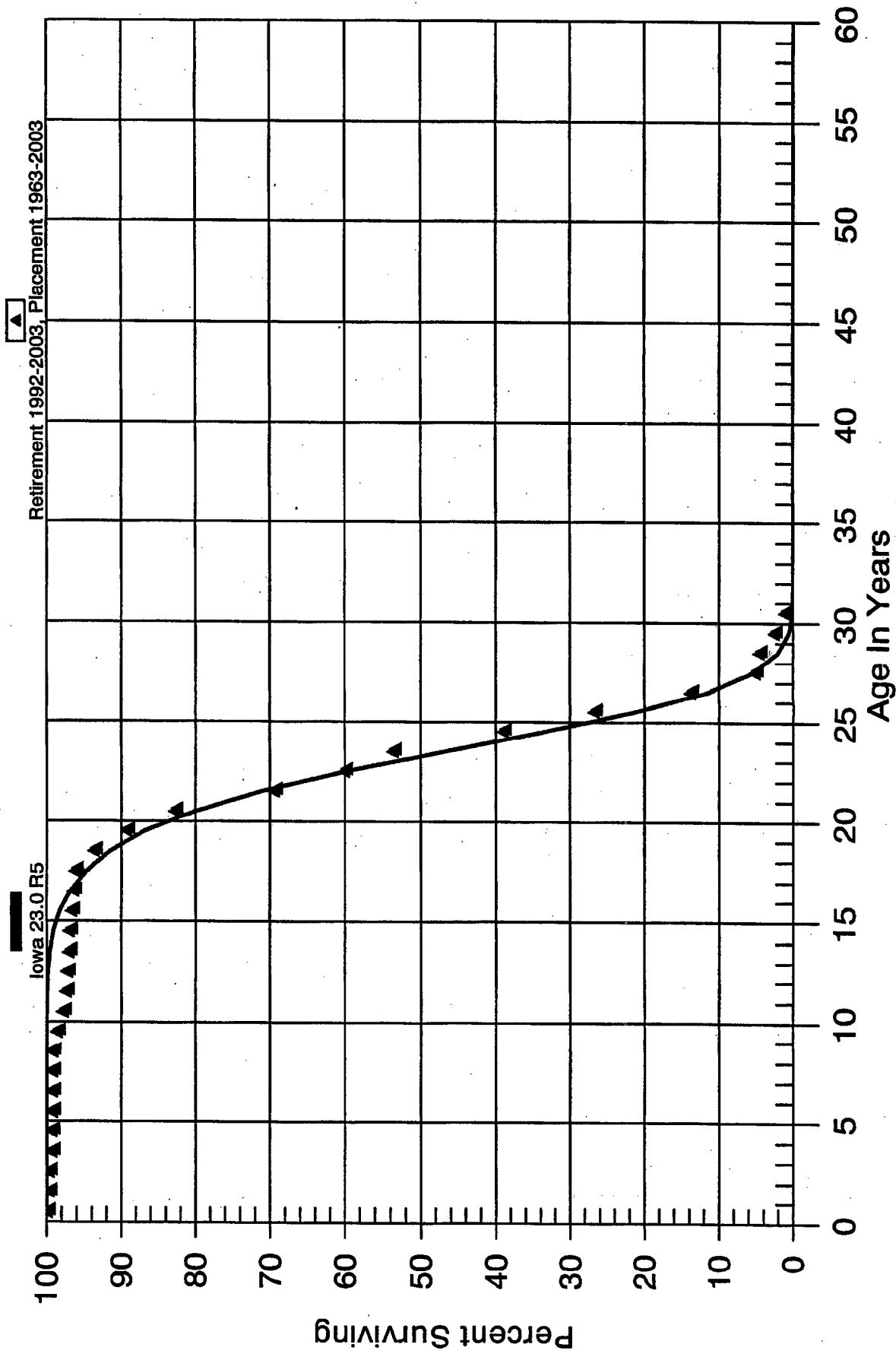
Bay State Gas Company
Total Company

376.40 (367.40) PLASTIC MAINS

Observed Life Table
Retirement Expr. 1975 TO 2003
Placement Years 1971 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$117,339,896.64	\$323.41	0.00000	100.00
0.5 - 1.5	\$111,598,210.06	\$147,832.98	0.00132	100.00
1.5 - 2.5	\$104,821,769.21	\$87,463.48	0.00083	99.87
2.5 - 3.5	\$97,886,557.61	\$172,775.11	0.00177	99.78
3.5 - 4.5	\$90,723,497.55	\$27,005.80	0.00030	99.61
4.5 - 5.5	\$84,260,772.82	\$30,714.40	0.00036	99.58
5.5 - 6.5	\$76,584,449.95	\$50,769.73	0.00066	99.54
6.5 - 7.5	\$71,040,407.28	\$20,925.40	0.00029	99.48
7.5 - 8.5	\$63,254,346.19	\$24,362.53	0.00039	99.45
8.5 - 9.5	\$57,527,577.45	\$93,108.49	0.00162	99.41
9.5 - 10.5	\$47,723,903.94	\$35,610.94	0.00075	99.25
10.5 - 11.5	\$40,365,575.73	\$15,164.19	0.00038	99.17
11.5 - 12.5	\$34,188,151.08	\$22,923.15	0.00067	99.14
12.5 - 13.5	\$27,002,984.08	\$8,311.98	0.00031	99.07
13.5 - 14.5	\$21,561,544.49	\$49,166.79	0.00228	99.04
14.5 - 15.5	\$17,192,508.64	\$10,180.17	0.00059	98.81
15.5 - 16.5	\$11,647,683.28	\$5,904.63	0.00051	98.75
16.5 - 17.5	\$6,937,357.59	\$15,114.34	0.00218	98.70
17.5 - 18.5	\$3,238,149.36	\$1,218.77	0.00038	98.49
18.5 - 19.5	\$1,132,605.05	\$5,766.09	0.00509	98.45
19.5 - 20.5	\$620,480.23	\$0.00	0.00000	97.95
20.5 - 21.5	\$599,952.13	\$4,609.47	0.00768	97.95
21.5 - 22.5	\$595,342.66	\$0.00	0.00000	97.20
22.5 - 23.5	\$488,139.63	\$1,835.25	0.00376	97.20
23.5 - 24.5	\$324,663.05	\$0.00	0.00000	96.83
24.5 - 25.5	\$18,905.04	\$3,283.47	0.17368	96.83
25.5 - 26.5	\$13,267.83	\$1.20	0.00009	80.02
26.5 - 27.5	\$13,266.63	\$0.00	0.00000	80.01
27.5 - 28.5	\$13,266.63	\$0.00	0.00000	80.01
28.5 - 29.5	\$13,266.63	\$0.00	0.00000	80.01
29.5 - 30.5	\$11,351.17	\$0.00	0.00000	80.01
30.5 - 31.5	\$11,351.17	\$0.00	0.00000	80.01
31.5 - 32.5	\$6,282.95	\$0.00	0.00000	80.01

Bay State Gas Company
Total Company
376.50 (367.50) JOINT SEALS
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

376.50 (367.50) JOINT SEALS

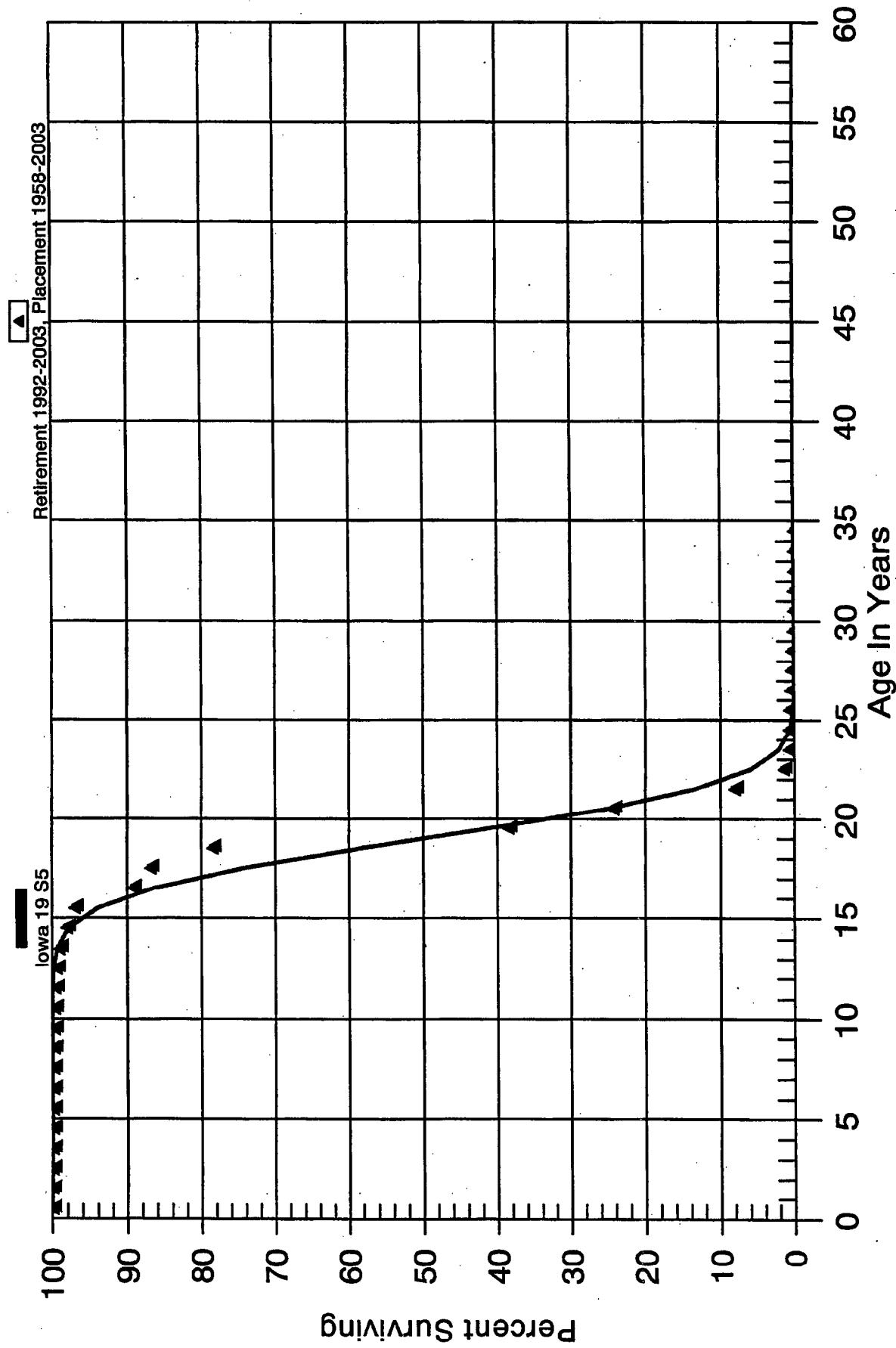
Observed Life Table

Retirement Expr. 1992 TO 2003

Placement Years 1963 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$9,431,825.39	\$0.00	0.00000	100.00
0.5 - 1.5	\$9,337,378.92	\$18,985.40	0.00203	100.00
1.5 - 2.5	\$9,432,610.55	\$3,378.49	0.00036	99.80
2.5 - 3.5	\$10,022,809.80	\$39,175.04	0.00391	99.76
3.5 - 4.5	\$10,477,482.52	\$207.90	0.00002	99.37
4.5 - 5.5	\$10,743,506.49	\$3,804.19	0.00035	99.37
5.5 - 6.5	\$10,834,734.62	\$916.46	0.00008	99.33
6.5 - 7.5	\$10,794,679.12	\$1,007.81	0.00009	99.33
7.5 - 8.5	\$10,929,904.49	\$7,072.67	0.00065	99.32
8.5 - 9.5	\$11,130,116.25	\$59,045.85	0.00531	99.25
9.5 - 10.5	\$11,003,124.76	\$91,368.88	0.00830	98.73
10.5 - 11.5	\$10,916,199.93	\$45,732.76	0.00419	97.91
11.5 - 12.5	\$11,745,909.63	\$17,378.78	0.00148	97.50
12.5 - 13.5	\$11,306,832.75	\$20,537.08	0.00182	97.35
13.5 - 14.5	\$10,909,544.05	\$8,908.87	0.00082	97.17
14.5 - 15.5	\$9,871,833.39	\$30,174.29	0.00306	97.09
15.5 - 16.5	\$8,798,933.30	\$23,633.98	0.00269	96.80
16.5 - 17.5	\$7,900,265.78	\$19,113.57	0.00242	96.54
17.5 - 18.5	\$7,271,090.34	\$187,490.26	0.02579	96.30
18.5 - 19.5	\$6,891,491.76	\$325,369.88	0.04721	93.82
19.5 - 20.5	\$6,337,379.01	\$461,438.62	0.07281	89.39
20.5 - 21.5	\$5,477,821.90	\$884,164.38	0.16141	82.88
21.5 - 22.5	\$4,855,183.40	\$654,992.80	0.13491	69.50
22.5 - 23.5	\$4,128,890.71	\$441,080.92	0.10683	60.13
23.5 - 24.5	\$3,340,499.43	\$908,745.14	0.27204	53.70
24.5 - 25.5	\$2,525,791.71	\$792,021.61	0.31357	39.10
25.5 - 26.5	\$1,850,804.54	\$891,940.50	0.48192	26.84
26.5 - 27.5	\$1,208,662.83	\$752,885.61	0.62394	13.90
27.5 - 28.5	\$551,642.07	\$57,360.32	0.10398	5.23
28.5 - 29.5	\$497,167.16	\$221,378.93	0.44528	4.68
29.5 - 30.5	\$275,788.23	\$151,808.71	0.55045	2.60

Bay State Gas Company
Total Company
376.60 (367.60) CATHODIC PROTECTION
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company

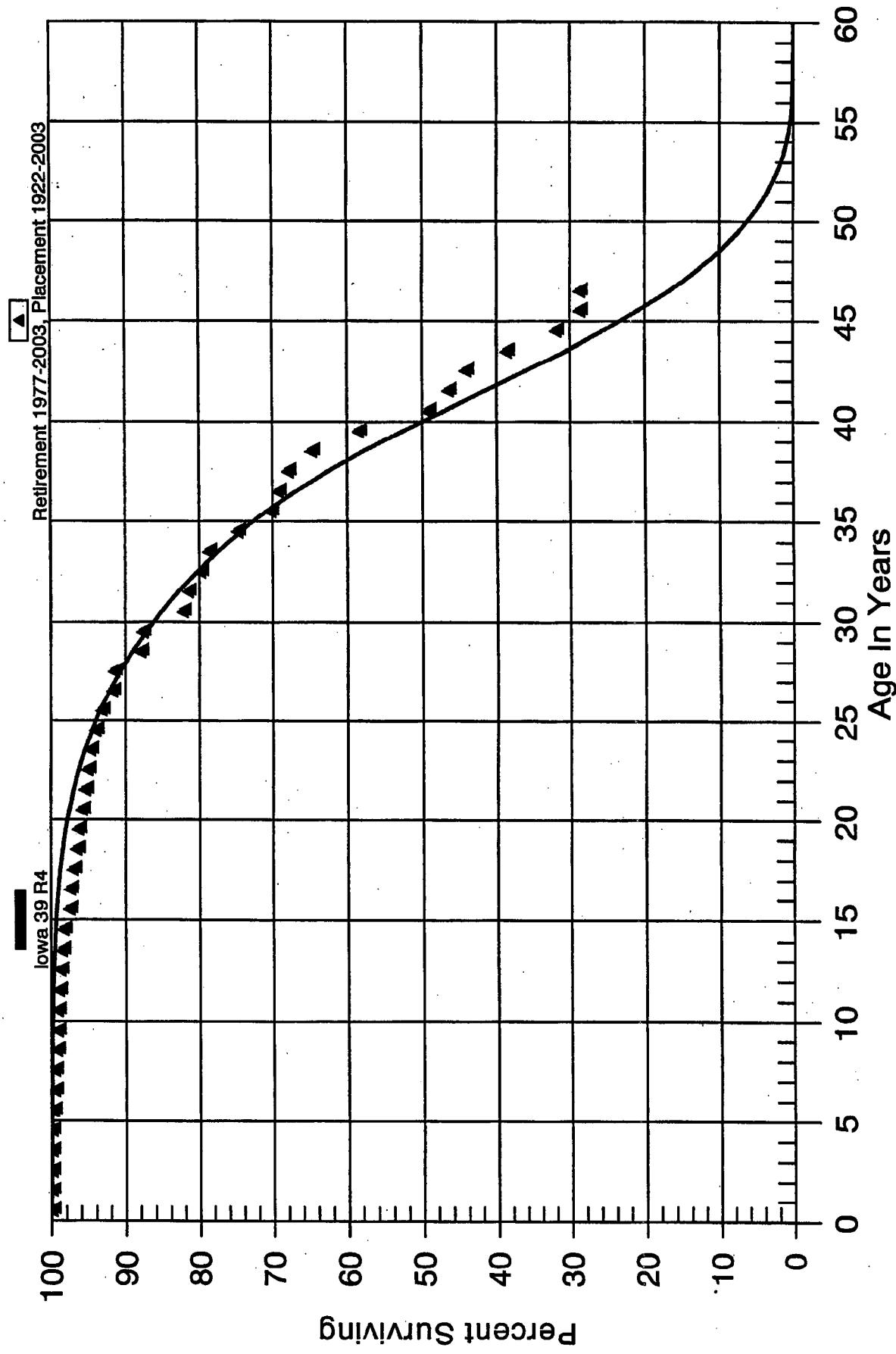
376.60 (367.60) CATHODIC PROTECTION

Observed Life Table
Retirement Expr. 1992 TO 2003
Placement Years 1958 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$5,943,683.73	\$0.00	0.00000	100.00
0.5 - 1.5	\$5,920,857.05	\$864.73	0.00015	100.00
1.5 - 2.5	\$6,037,203.01	\$1,607.55	0.00027	99.99
2.5 - 3.5	\$5,877,278.88	\$2,268.21	0.00039	99.96
3.5 - 4.5	\$5,495,688.43	\$1,609.82	0.00029	99.92
4.5 - 5.5	\$5,171,834.08	\$140.36	0.00003	99.89
5.5 - 6.5	\$4,714,912.04	\$603.57	0.00013	99.89
6.5 - 7.5	\$4,347,140.26	\$2,023.95	0.00047	99.88
7.5 - 8.5	\$4,558,899.94	\$1,881.98	0.00041	99.83
8.5 - 9.5	\$3,919,791.20	\$1,198.43	0.00031	99.79
9.5 - 10.5	\$3,131,724.06	\$965.06	0.00031	99.76
10.5 - 11.5	\$2,575,706.18	\$2,297.38	0.00089	99.73
11.5 - 12.5	\$1,958,549.61	\$3,401.16	0.00174	99.64
12.5 - 13.5	\$1,641,626.87	\$6,383.86	0.00389	99.46
13.5 - 14.5	\$984,085.22	\$9,441.93	0.00959	99.08
14.5 - 15.5	\$1,000,307.40	\$10,818.83	0.01082	98.13
15.5 - 16.5	\$1,017,241.58	\$81,584.85	0.08020	97.07
16.5 - 17.5	\$1,004,583.28	\$26,374.52	0.02625	89.28
17.5 - 18.5	\$874,739.80	\$84,725.97	0.09688	86.94
18.5 - 19.5	\$723,819.84	\$368,979.33	0.50977	78.52
19.5 - 20.5	\$355,746.15	\$130,939.13	0.36807	38.49
20.5 - 21.5	\$224,807.02	\$150,151.20	0.66791	24.32
21.5 - 22.5	\$75,787.27	\$61,851.68	0.81612	8.08
22.5 - 23.5	\$18,112.18	\$9,227.64	0.50947	1.49
23.5 - 24.5	\$11,229.43	\$500.00	0.04453	0.73
24.5 - 25.5	\$14,665.44	\$500.00	0.03409	0.70
25.5 - 26.5	\$19,733.24	\$5,065.61	0.25670	0.67
26.5 - 27.5	\$18,459.80	\$3,030.02	0.16414	0.50
27.5 - 28.5	\$9,960.09	\$1,602.81	0.16092	0.42
28.5 - 29.5	\$8,357.28	\$5,067.80	0.60639	0.35
29.5 - 30.5	\$5,728.01	\$4,039.48	0.70522	0.14
30.5 - 31.5	\$2,457.59	\$0.00	0.00000	0.04
31.5 - 32.5	\$12,278.05	\$4,193.43	0.34154	0.04
32.5 - 33.5	\$8,084.62	\$1,688.53	0.20886	0.03
33.5 - 34.5	\$8,393.77	\$1,997.68	0.23800	0.02

Bay State Gas Company

Total Company
378.00 (369.00) MEAS AND REG STATION EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company
378.00 (369.00) MEAS AND REG STATION EQUIPMENT

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1922 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$10,221,418.21	\$0.00	0.00000	100.00
0.5 - 1.5	\$9,734,984.43	\$0.00	0.00000	100.00
1.5 - 2.5	\$9,561,971.63	\$575.00	0.00006	100.00
2.5 - 3.5	\$9,093,641.13	\$408.56	0.00004	99.99
3.5 - 4.5	\$8,236,755.42	\$676.87	0.00008	99.99
4.5 - 5.5	\$7,955,574.34	\$16,515.92	0.00208	99.98
5.5 - 6.5	\$7,348,027.19	\$8,526.72	0.00116	99.77
6.5 - 7.5	\$6,948,000.64	\$590.10	0.00008	99.66
7.5 - 8.5	\$6,478,024.89	\$20,138.98	0.00311	99.65
8.5 - 9.5	\$5,466,098.44	\$4,967.73	0.00091	99.34
9.5 - 10.5	\$5,399,629.32	\$2,143.28	0.00040	99.25
10.5 - 11.5	\$3,931,774.45	\$8,102.66	0.00155	99.21
11.5 - 12.5	\$3,390,225.26	\$6,942.84	0.00205	99.06
12.5 - 13.5	\$3,095,881.85	\$6,828.55	0.00221	98.85
13.5 - 14.5	\$2,937,868.80	\$5,784.51	0.00197	98.64
14.5 - 15.5	\$2,817,112.99	\$24,053.54	0.00854	98.44
15.5 - 16.5	\$2,673,545.91	\$2,827.64	0.00106	97.60
16.5 - 17.5	\$2,483,388.81	\$8,970.77	0.00381	97.50
17.5 - 18.5	\$2,501,152.30	\$12,960.39	0.00518	97.14
18.5 - 19.5	\$2,323,482.85	\$5,857.54	0.00252	96.64
19.5 - 20.5	\$2,263,069.35	\$11,187.70	0.00494	96.40
20.5 - 21.5	\$2,013,950.11	\$8,402.06	0.00417	95.92
21.5 - 22.5	\$1,820,865.36	\$6,072.28	0.00333	95.52
22.5 - 23.5	\$1,715,811.86	\$6,826.85	0.00398	95.20
23.5 - 24.5	\$1,672,323.20	\$11,930.41	0.00713	94.82
24.5 - 25.5	\$1,649,005.56	\$14,748.56	0.00894	94.15
25.5 - 26.5	\$1,554,161.88	\$23,851.02	0.01535	93.31
26.5 - 27.5	\$1,464,514.67	\$4,599.23	0.00314	91.87
27.5 - 28.5	\$1,423,728.81	\$54,549.39	0.03831	91.58
28.5 - 29.5	\$1,242,446.49	\$4,399.31	0.00354	88.08
29.5 - 30.5	\$1,185,941.46	\$73,955.68	0.06236	87.76
30.5 - 31.5	\$980,921.50	\$8,206.33	0.00837	82.29
31.5 - 32.5	\$828,299.53	\$17,330.51	0.02092	81.60
32.5 - 33.5	\$756,834.73	\$10,408.95	0.01375	79.90
33.5 - 34.5	\$726,876.16	\$36,199.76	0.04980	78.80
34.5 - 35.5	\$588,969.81	\$35,753.45	0.06071	74.87
35.5 - 36.5	\$522,853.34	\$7,644.58	0.01462	70.33

Bay State Gas Company

Total Company

378.00 (369.00) MEAS AND REG STATION EQUIPMENT

Observed Life Table

Retirement Expr. 1977 TO 2003

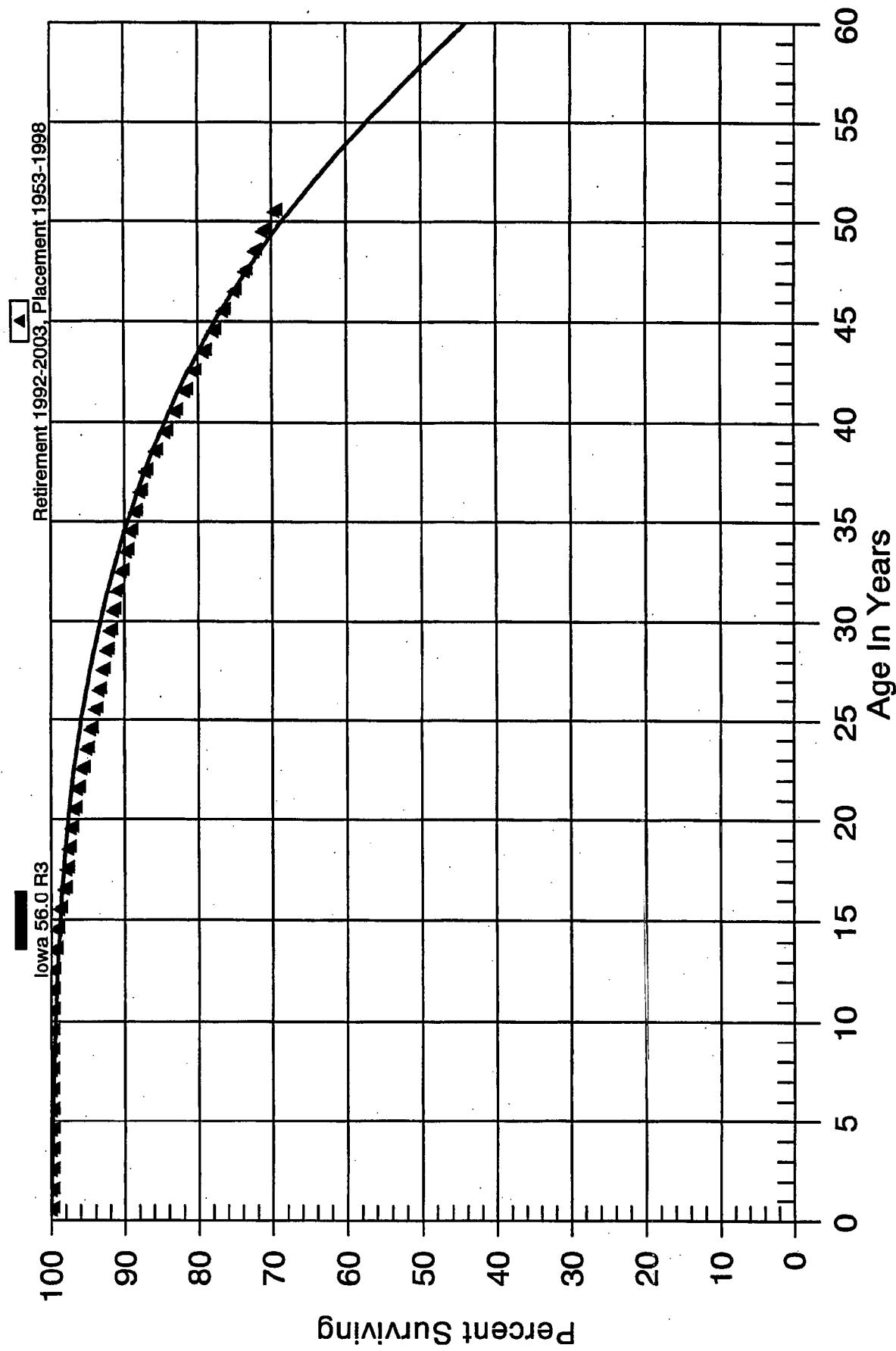
Placement Years 1922 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$502,413.20	\$9,680.45	0.01927	69.30
37.5 - 38.5	\$479,187.48	\$21,891.40	0.04568	67.96
38.5 - 39.5	\$379,592.44	\$36,968.28	0.09739	64.86
39.5 - 40.5	\$298,205.34	\$46,990.04	0.15758	58.54
40.5 - 41.5	\$197,255.34	\$10,779.82	0.05465	49.32
41.5 - 42.5	\$168,922.94	\$8,593.98	0.05088	46.62
42.5 - 43.5	\$157,186.98	\$19,461.23	0.12381	44.25
43.5 - 44.5	\$121,820.19	\$21,265.68	0.17457	38.77
44.5 - 45.5	\$58,935.04	\$5,907.15	0.10023	32.00
45.5 - 46.5	\$49,852.89	\$0.00	0.00000	28.80
46.5 - 47.5	\$44,269.96	\$1,288.49	0.02911	28.80
47.5 - 48.5	\$38,641.02	\$0.00	0.00000	27.96
48.5 - 49.5	\$39,144.20	\$0.00	0.00000	27.96
49.5 - 50.5	\$39,144.20	\$0.00	0.00000	27.96
50.5 - 51.5	\$22,662.67	\$0.00	0.00000	27.96
51.5 - 52.5	\$22,662.67	\$0.00	0.00000	27.96
52.5 - 53.5	\$0.00	\$0.00	0.00000	27.96
53.5 - 54.5	(\$521.28)	\$0.00	0.00000	27.96
54.5 - 55.5	\$0.00	\$0.00	0.00000	27.96
55.5 - 56.5	\$0.00	\$0.00	0.00000	27.96
56.5 - 57.5	\$0.00	\$0.00	0.00000	27.96
57.5 - 58.5	\$0.00	\$0.00	0.00000	27.96
58.5 - 59.5	\$0.00	\$0.00	0.00000	27.96
59.5 - 60.5	\$0.00	\$0.00	0.00000	27.96
60.5 - 61.5	\$0.00	\$0.00	0.00000	27.96
61.5 - 62.5	\$0.00	\$0.00	0.00000	27.96
62.5 - 63.5	\$503.18	\$0.00	0.00000	27.96
63.5 - 64.5	\$503.18	\$0.00	0.00000	27.96

Bay State Gas Company

Total Company

380.20 STEEL SERVICES - COATED AND WRAPPED
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company

380.20 STEEL SERVICES - COATED AND WRAPPED

Observed Life Table
Retirement Expr. 1992 TO 2003
Placement Years 1953 TO 1998

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$14,475,572.54	\$0.00	0.00000	100.00
0.5 - 1.5	\$14,856,122.50	\$0.00	0.00000	100.00
1.5 - 2.5	\$16,759,740.48	\$0.00	0.00000	100.00
2.5 - 3.5	\$17,631,441.67	\$0.00	0.00000	100.00
3.5 - 4.5	\$17,769,416.88	\$0.00	0.00000	100.00
4.5 - 5.5	\$17,878,601.35	\$0.00	0.00000	100.00
5.5 - 6.5	\$16,328,530.97	\$0.00	0.00000	100.00
6.5 - 7.5	\$14,478,762.49	\$0.00	0.00000	100.00
7.5 - 8.5	\$12,985,077.17	\$0.00	0.00000	100.00
8.5 - 9.5	\$13,200,821.18	\$0.00	0.00000	100.00
9.5 - 10.5	\$12,071,569.98	\$0.00	0.00000	100.00
10.5 - 11.5	\$12,282,795.56	\$0.00	0.00000	100.00
11.5 - 12.5	\$12,258,674.86	\$15,060.11	0.00123	100.00
12.5 - 13.5	\$16,262,134.92	\$48,414.83	0.00298	99.88
13.5 - 14.5	\$16,383,074.35	\$36,287.98	0.00221	99.58
14.5 - 15.5	\$16,806,637.67	\$71,607.16	0.00426	99.36
15.5 - 16.5	\$17,923,923.15	\$112,311.91	0.00627	98.94
16.5 - 17.5	\$18,547,337.87	\$63,344.49	0.00342	98.32
17.5 - 18.5	\$18,922,147.09	\$49,341.03	0.00261	97.98
18.5 - 19.5	\$20,908,691.02	\$79,858.08	0.00382	97.72
19.5 - 20.5	\$21,828,670.53	\$97,107.68	0.00445	97.35
20.5 - 21.5	\$21,226,127.76	\$87,676.01	0.00413	96.92
21.5 - 22.5	\$21,557,874.65	\$132,677.40	0.00615	96.52
22.5 - 23.5	\$21,610,431.50	\$146,540.21	0.00678	95.92
23.5 - 24.5	\$21,147,389.67	\$107,774.93	0.00510	95.27
24.5 - 25.5	\$18,153,789.66	\$125,510.30	0.00691	94.79
25.5 - 26.5	\$17,311,714.25	\$87,522.82	0.00506	94.13
26.5 - 27.5	\$17,123,761.89	\$97,116.35	0.00567	93.66
27.5 - 28.5	\$16,753,764.48	\$91,809.32	0.00548	93.13
28.5 - 29.5	\$16,877,070.17	\$87,764.06	0.00520	92.62
29.5 - 30.5	\$16,448,606.69	\$85,272.76	0.00518	92.13
30.5 - 31.5	\$14,984,263.50	\$75,293.30	0.00502	91.66
31.5 - 32.5	\$13,923,371.15	\$94,137.90	0.00676	91.20
32.5 - 33.5	\$12,942,609.76	\$102,228.55	0.00790	90.58
33.5 - 34.5	\$11,736,115.19	\$74,733.38	0.00637	89.86
34.5 - 35.5	\$10,149,166.37	\$63,946.43	0.00690	89.29
35.5 - 36.5	\$8,949,453.10	\$66,982.35	0.00748	88.73

Bay State Gas Company

Total Company

380.20 STEEL SERVICES - COATED AND WRAPPED

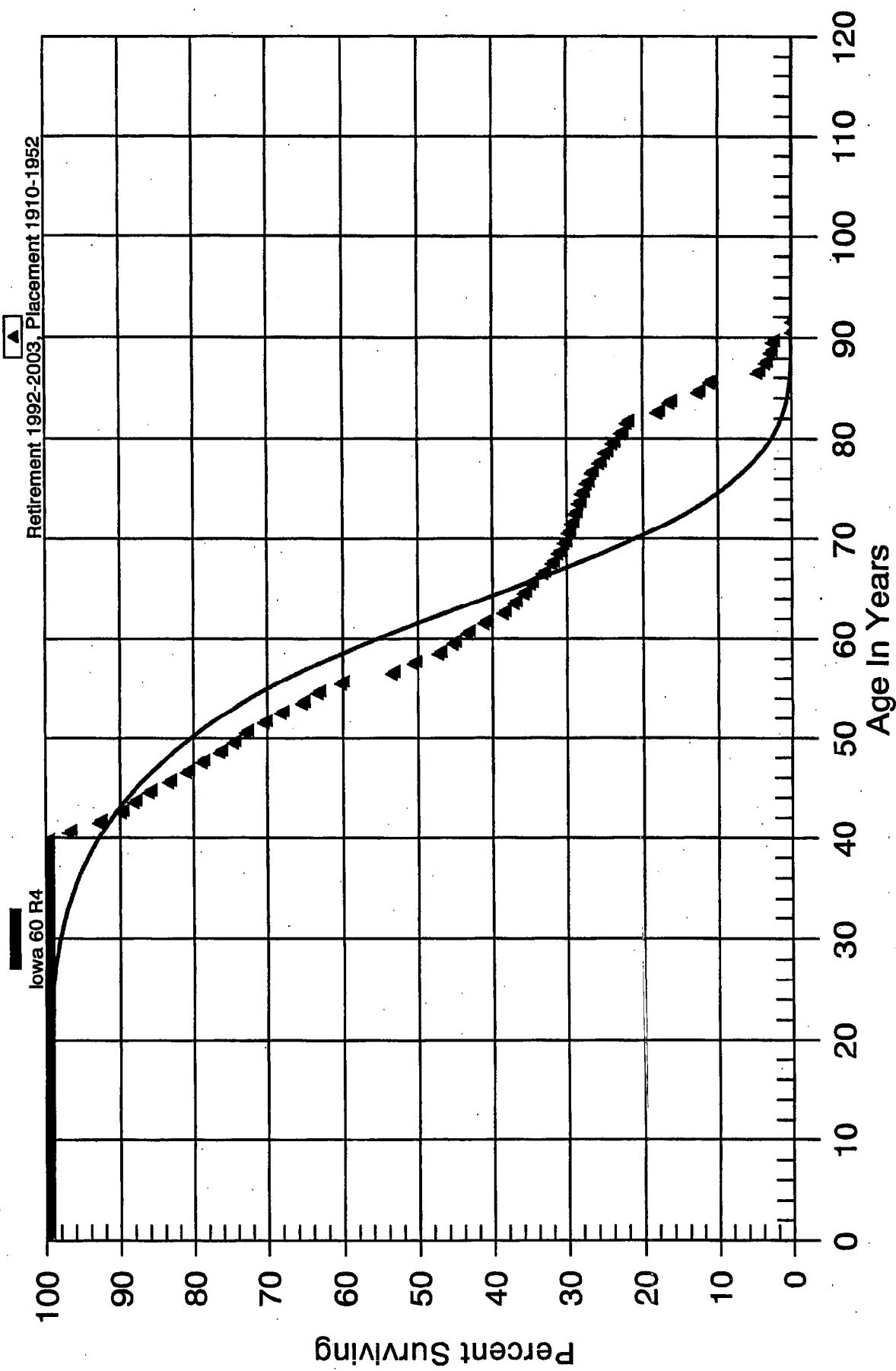
Observed Life Table

Retirement Expr. 1992 TO 2003

Placement Years 1953 TO 1998

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$7,951,695.98	\$70,795.66	0.00890	88.06
37.5 - 38.5	\$6,925,951.82	\$103,790.41	0.01499	87.28
38.5 - 39.5	\$5,957,527.10	\$95,230.42	0.01598	85.97
39.5 - 40.5	\$4,960,060.31	\$80,196.15	0.01617	84.60
40.5 - 41.5	\$4,005,995.06	\$62,135.32	0.01551	83.23
41.5 - 42.5	\$3,171,924.50	\$47,670.97	0.01503	81.94
42.5 - 43.5	\$2,460,952.68	\$41,483.53	0.01686	80.71
43.5 - 44.5	\$1,906,930.35	\$31,631.10	0.01659	79.35
44.5 - 45.5	\$1,326,365.65	\$22,461.79	0.01693	78.03
45.5 - 46.5	\$946,575.88	\$18,263.03	0.01929	76.71
46.5 - 47.5	\$681,036.02	\$13,233.83	0.01943	75.23
47.5 - 48.5	\$433,402.06	\$7,703.67	0.01777	73.77
48.5 - 49.5	\$251,303.57	\$3,817.87	0.01519	72.46
49.5 - 50.5	\$106,646.80	\$2,459.19	0.02306	71.36

Bay State Gas Company
Total Company
380.30 STEEL SERVICES - BARE
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company

380.30 STEEL SERVICES - BARE

Observed Life Table
Retirement Expr. 1992 TO 2003
Placement Years 1910 TO 1952

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$0.00	\$0.00	0.00000	100.00
0.5 - 1.5	\$0.00	\$0.00	0.00000	100.00
1.5 - 2.5	\$0.00	\$0.00	0.00000	100.00
2.5 - 3.5	\$0.00	\$0.00	0.00000	100.00
3.5 - 4.5	\$0.00	\$0.00	0.00000	100.00
4.5 - 5.5	\$0.00	\$0.00	0.00000	100.00
5.5 - 6.5	\$0.00	\$0.00	0.00000	100.00
6.5 - 7.5	\$0.00	\$0.00	0.00000	100.00
7.5 - 8.5	\$0.00	\$0.00	0.00000	100.00
8.5 - 9.5	\$0.00	\$0.00	0.00000	100.00
9.5 - 10.5	\$0.00	\$0.00	0.00000	100.00
10.5 - 11.5	\$0.00	\$0.00	0.00000	100.00
11.5 - 12.5	\$0.00	\$0.00	0.00000	100.00
12.5 - 13.5	\$0.00	\$0.00	0.00000	100.00
13.5 - 14.5	\$0.00	\$0.00	0.00000	100.00
14.5 - 15.5	\$0.00	\$0.00	0.00000	100.00
15.5 - 16.5	\$0.00	\$0.00	0.00000	100.00
16.5 - 17.5	\$0.00	\$0.00	0.00000	100.00
17.5 - 18.5	\$0.00	\$0.00	0.00000	100.00
18.5 - 19.5	\$0.00	\$0.00	0.00000	100.00
19.5 - 20.5	\$0.00	\$0.00	0.00000	100.00
20.5 - 21.5	\$0.00	\$0.00	0.00000	100.00
21.5 - 22.5	\$0.00	\$0.00	0.00000	100.00
22.5 - 23.5	\$0.00	\$0.00	0.00000	100.00
23.5 - 24.5	\$0.00	\$0.00	0.00000	100.00
24.5 - 25.5	\$0.00	\$0.00	0.00000	100.00
25.5 - 26.5	\$0.00	\$0.00	0.00000	100.00
26.5 - 27.5	\$0.00	\$0.00	0.00000	100.00
27.5 - 28.5	\$0.00	\$0.00	0.00000	100.00
28.5 - 29.5	\$0.00	\$0.00	0.00000	100.00
29.5 - 30.5	\$0.00	\$0.00	0.00000	100.00
30.5 - 31.5	\$0.00	\$0.00	0.00000	100.00
31.5 - 32.5	\$0.00	\$0.00	0.00000	100.00
32.5 - 33.5	\$0.00	\$0.00	0.00000	100.00
33.5 - 34.5	\$0.00	\$0.00	0.00000	100.00
34.5 - 35.5	\$0.00	\$0.00	0.00000	100.00
35.5 - 36.5	\$0.00	\$0.00	0.00000	100.00

Bay State Gas Company

Total Company

380.30 STEEL SERVICES - BARE

Observed Life Table

Retirement Expr. 1992 TO 2003

Placement Years 1910 TO 1952

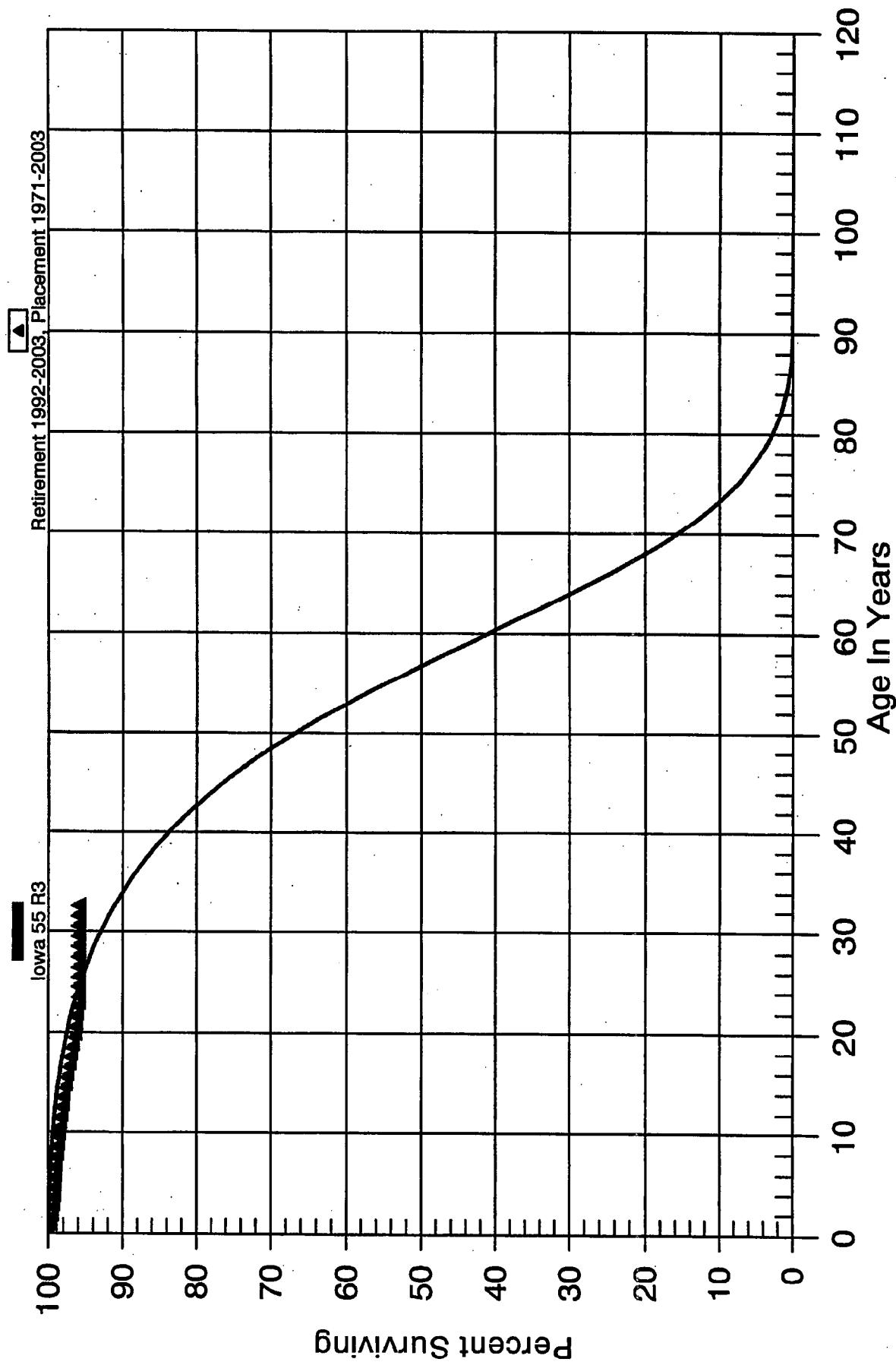
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$0.00	\$0.00	0.00000	100.00
37.5 - 38.5	\$0.00	\$0.00	0.00000	100.00
38.5 - 39.5	\$0.00	\$0.00	0.00000	100.00
39.5 - 40.5	\$95,038.92	\$2,832.14	0.02980	100.00
40.5 - 41.5	\$185,229.45	\$7,764.30	0.04192	97.02
41.5 - 42.5	\$242,050.05	\$7,699.66	0.03181	92.95
42.5 - 43.5	\$295,519.99	\$5,823.21	0.01970	90.00
43.5 - 44.5	\$342,619.21	\$7,808.70	0.02279	88.22
44.5 - 45.5	\$376,248.77	\$11,765.68	0.03127	86.21
45.5 - 46.5	\$385,764.70	\$11,403.64	0.02956	83.52
46.5 - 47.5	\$385,017.66	\$9,884.54	0.02567	81.05
47.5 - 48.5	\$381,749.42	\$11,641.88	0.03050	78.97
48.5 - 49.5	\$384,523.12	\$9,455.96	0.02459	76.56
49.5 - 50.5	\$391,596.89	\$8,730.82	0.02230	74.68
50.5 - 51.5	\$399,105.92	\$13,639.09	0.03417	73.01
51.5 - 52.5	\$329,229.02	\$10,410.33	0.03162	70.52
52.5 - 53.5	\$260,706.87	\$10,733.80	0.04117	68.29
53.5 - 54.5	\$222,568.94	\$6,888.31	0.03095	65.47
54.5 - 55.5	\$186,656.57	\$9,145.80	0.04900	63.45
55.5 - 56.5	\$149,525.42	\$16,851.89	0.11270	60.34
56.5 - 57.5	\$109,758.57	\$5,865.10	0.05344	53.54
57.5 - 58.5	\$89,155.76	\$5,836.02	0.06548	50.68
58.5 - 59.5	\$79,786.06	\$3,206.79	0.04019	47.36
59.5 - 60.5	\$83,813.27	\$3,538.97	0.04222	45.46
60.5 - 61.5	\$77,059.12	\$4,018.53	0.05215	43.54
61.5 - 62.5	\$73,451.75	\$4,624.87	0.06296	41.27
62.5 - 63.5	\$96,856.04	\$3,601.76	0.03719	38.67
63.5 - 64.5	\$104,243.73	\$3,643.02	0.03495	37.23
64.5 - 65.5	\$106,659.84	\$2,647.20	0.02482	35.93
65.5 - 66.5	\$110,216.15	\$5,276.86	0.04788	35.04
66.5 - 67.5	\$117,441.98	\$4,188.22	0.03566	33.36
67.5 - 68.5	\$143,341.17	\$3,694.49	0.02577	32.17
68.5 - 69.5	\$157,032.94	\$3,977.22	0.02533	31.34
69.5 - 70.5	\$173,859.13	\$3,123.67	0.01797	30.55
70.5 - 71.5	\$185,271.37	\$2,860.38	0.01544	30.00
71.5 - 72.5	\$188,819.87	\$2,778.75	0.01472	29.54
72.5 - 73.5	\$186,945.80	\$3,205.90	0.01715	29.10

Bay State Gas Company
Total Company
380.30 STEEL SERVICES - BARE

Observed Life Table
Retirement Expr. 1992 TO 2003
Placement Years 1910 TO 1952

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
73.5 - 74.5	\$186,414.06	\$2,688.01	0.01442	28.60
74.5 - 75.5	\$168,669.66	\$3,966.61	0.02352	28.19
75.5 - 76.5	\$175,640.86	\$3,905.06	0.02223	27.53
76.5 - 77.5	\$170,792.17	\$6,589.31	0.03858	26.91
77.5 - 78.5	\$187,390.75	\$5,893.43	0.03145	25.88
78.5 - 79.5	\$170,534.34	\$6,417.69	0.03763	25.06
79.5 - 80.5	\$157,652.26	\$7,460.52	0.04732	24.12
80.5 - 81.5	\$134,192.03	\$4,392.11	0.03273	22.98
81.5 - 82.5	\$164,490.88	\$29,507.54	0.17939	22.23
82.5 - 83.5	\$123,741.34	\$10,997.08	0.08887	18.24
83.5 - 84.5	\$109,033.01	\$24,778.68	0.22726	16.62
84.5 - 85.5	\$80,081.01	\$10,467.33	0.13071	12.84
85.5 - 86.5	\$68,324.46	\$39,115.92	0.57250	11.16
86.5 - 87.5	\$26,761.41	\$6,043.84	0.22584	4.77
87.5 - 88.5	\$20,717.57	\$3,451.65	0.16660	3.69
88.5 - 89.5	\$17,265.92	\$1,818.68	0.10533	3.08
89.5 - 90.5	\$15,447.24	\$14,697.12	0.95144	2.75
90.5 - 91.5	\$750.12	\$386.49	0.51524	0.13

Bay State Gas Company
Total Company
380.40 PLASTIC SERVICES
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

380.40 PLASTIC SERVICES

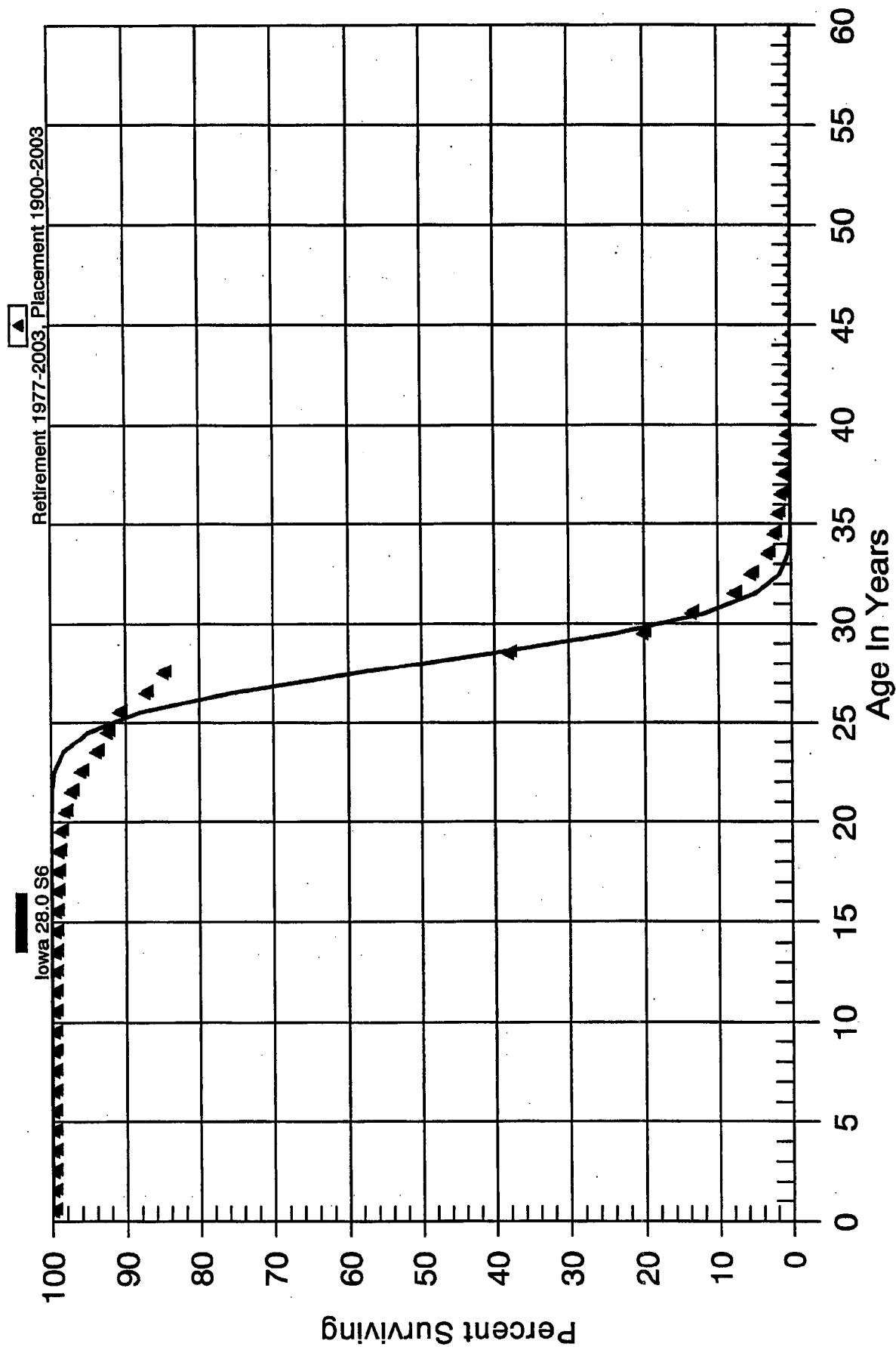
Observed Life Table

Retirement Expr. 1992 TO 2003

Placement Years 1971 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$94,041,127.40	\$0.00	0.00000	100.00
0.5 - 1.5	\$93,543,817.58	\$183,581.90	0.00196	100.00
1.5 - 2.5	\$90,687,093.13	\$125,320.09	0.00138	99.80
2.5 - 3.5	\$87,778,902.53	\$93,312.31	0.00106	99.67
3.5 - 4.5	\$86,324,212.45	\$67,819.58	0.00079	99.56
4.5 - 5.5	\$86,181,237.47	\$77,661.70	0.00090	99.48
5.5 - 6.5	\$85,883,913.35	\$94,453.66	0.00110	99.39
6.5 - 7.5	\$86,331,114.18	\$115,274.42	0.00135	99.28
7.5 - 8.5	\$82,565,641.69	\$125,141.58	0.00152	99.15
8.5 - 9.5	\$78,133,049.19	\$98,151.69	0.00126	99.00
9.5 - 10.5	\$72,495,165.46	\$119,115.38	0.00164	98.87
10.5 - 11.5	\$69,035,331.54	\$120,327.66	0.00174	98.71
11.5 - 12.5	\$63,973,362.06	\$111,516.58	0.00174	98.54
12.5 - 13.5	\$55,234,614.75	\$75,702.22	0.00137	98.37
13.5 - 14.5	\$47,586,873.07	\$139,701.46	0.00294	98.23
14.5 - 15.5	\$40,024,939.88	\$84,281.44	0.00211	97.94
15.5 - 16.5	\$31,603,173.67	\$91,698.08	0.00290	97.74
16.5 - 17.5	\$23,544,598.10	\$45,552.17	0.00193	97.45
17.5 - 18.5	\$17,054,041.80	\$42,310.46	0.00248	97.27
18.5 - 19.5	\$11,744,129.26	\$37,807.73	0.00322	97.02
19.5 - 20.5	\$8,184,163.59	\$15,150.36	0.00185	96.71
20.5 - 21.5	\$7,178,464.97	\$9,080.17	0.00126	96.53
21.5 - 22.5	\$5,791,690.42	\$13,687.20	0.00236	96.41
22.5 - 23.5	\$4,805,834.26	\$0.00	0.00000	96.18
23.5 - 24.5	\$3,659,385.46	\$0.00	0.00000	96.18
24.5 - 25.5	\$2,863,482.88	\$0.00	0.00000	96.18
25.5 - 26.5	\$2,321,029.90	\$0.00	0.00000	96.18
26.5 - 27.5	\$1,874,929.75	\$0.00	0.00000	96.18
27.5 - 28.5	\$1,489,871.05	\$0.00	0.00000	96.18
28.5 - 29.5	\$1,136,812.42	\$0.00	0.00000	96.18
29.5 - 30.5	\$817,919.16	\$0.00	0.00000	96.18
30.5 - 31.5	\$527,009.43	\$0.00	0.00000	96.18
31.5 - 32.5	\$249,102.48	\$0.00	0.00000	96.18

Bay State Gas Company
Total Company
381.00 GAS METERS
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

381.00 GAS METERS

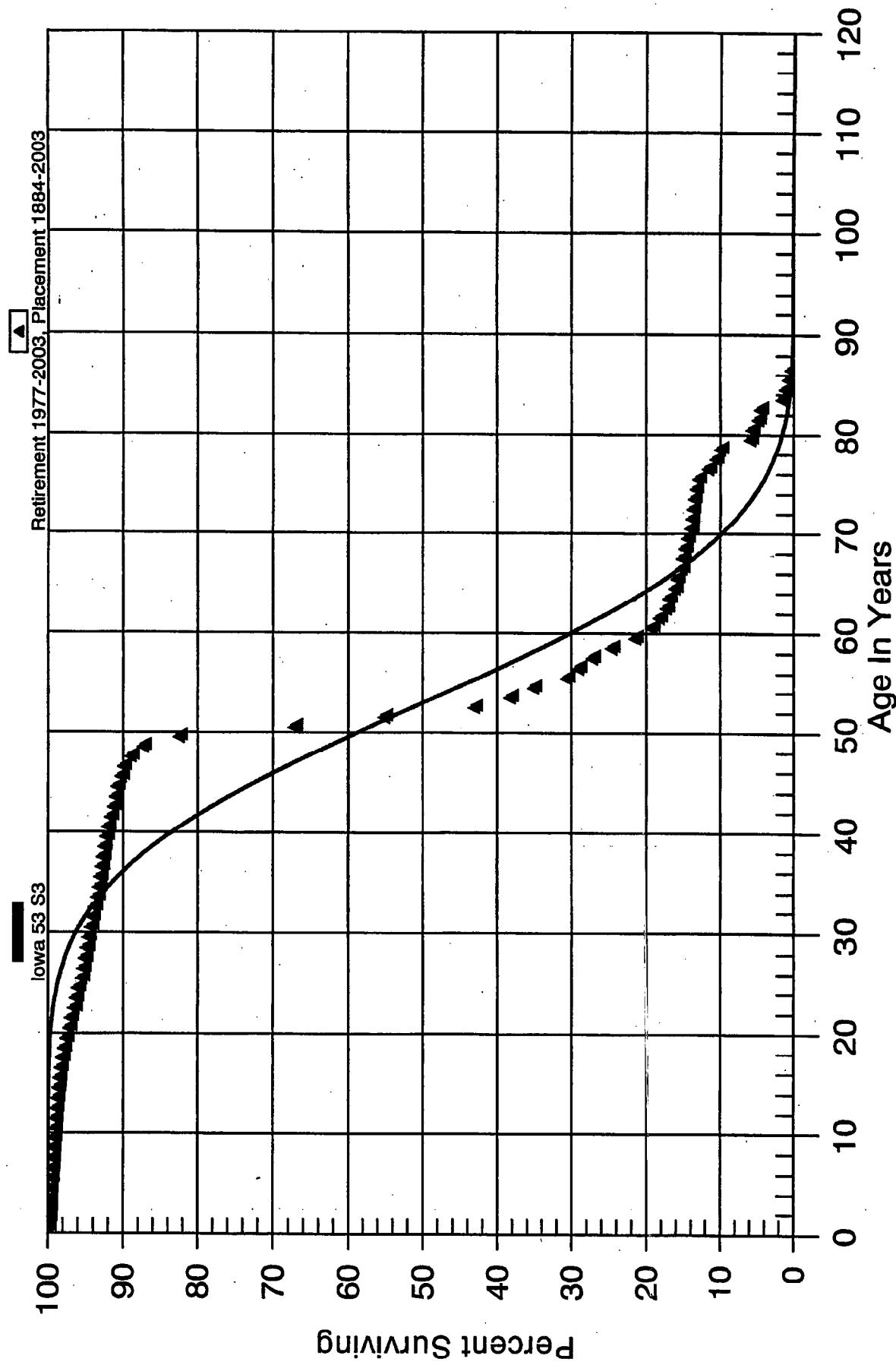
Observed Life Table

Retirement Expr. 1977 TO 2003

Placement Years 1900 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$24,326,071.16	\$0.00	0.00000	100.00
0.5 - 1.5	\$24,257,143.11	\$19,161.81	0.00079	100.00
1.5 - 2.5	\$23,786,639.57	\$4,418.94	0.00019	99.92
2.5 - 3.5	\$23,326,565.16	\$4,315.95	0.00019	99.90
3.5 - 4.5	\$23,021,018.88	\$3,295.45	0.00014	99.88
4.5 - 5.5	\$22,794,814.45	\$2,768.20	0.00012	99.87
5.5 - 6.5	\$22,377,496.26	\$3,445.86	0.00015	99.86
6.5 - 7.5	\$20,630,959.68	\$4,179.84	0.00020	99.84
7.5 - 8.5	\$19,738,982.52	\$8,655.11	0.00044	99.82
8.5 - 9.5	\$18,477,881.25	\$4,273.96	0.00023	99.78
9.5 - 10.5	\$17,955,061.32	\$5,839.14	0.00033	99.76
10.5 - 11.5	\$17,455,231.01	\$3,141.92	0.00018	99.72
11.5 - 12.5	\$17,300,071.20	\$4,939.63	0.00029	99.70
12.5 - 13.5	\$16,453,207.92	\$5,427.14	0.00033	99.68
13.5 - 14.5	\$15,349,741.28	\$10,074.69	0.00066	99.64
14.5 - 15.5	\$14,380,358.77	\$6,754.75	0.00047	99.58
15.5 - 16.5	\$12,938,634.59	\$15,024.37	0.00116	99.53
16.5 - 17.5	\$11,937,807.18	\$13,789.33	0.00116	99.42
17.5 - 18.5	\$11,547,033.41	\$17,484.17	0.00151	99.30
18.5 - 19.5	\$10,118,034.24	\$29,754.22	0.00294	99.15
19.5 - 20.5	\$9,235,825.10	\$54,861.87	0.00594	98.86
20.5 - 21.5	\$8,876,471.68	\$74,272.91	0.00837	98.27
21.5 - 22.5	\$8,007,330.21	\$109,233.29	0.01364	97.45
22.5 - 23.5	\$7,798,687.71	\$165,686.28	0.02125	96.12
23.5 - 24.5	\$6,458,858.42	\$100,757.03	0.01560	94.08
24.5 - 25.5	\$5,792,266.97	\$104,189.79	0.01799	92.61
25.5 - 26.5	\$5,469,463.90	\$211,633.26	0.03869	90.94
26.5 - 27.5	\$5,057,903.09	\$141,233.43	0.02792	87.43
27.5 - 28.5	\$4,664,661.38	\$2,569,559.03	0.55086	84.98
28.5 - 29.5	\$2,122,395.68	\$996,710.39	0.46962	38.17
29.5 - 30.5	\$1,183,892.61	\$381,313.71	0.32208	20.24
30.5 - 31.5	\$840,172.96	\$357,378.54	0.42536	13.72
31.5 - 32.5	\$494,369.53	\$143,447.15	0.29016	7.89
32.5 - 33.5	\$358,062.97	\$145,307.31	0.40581	5.60
33.5 - 34.5	\$220,727.53	\$59,495.82	0.26954	3.33
34.5 - 35.5	\$180,860.18	\$35,866.73	0.19831	2.43
35.5 - 36.5	\$155,105.49	\$40,214.30	0.25927	1.95

Bay State Gas Company
Total Company
382.00 METER INSTALLATIONS
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company
382.00 METER INSTALLATIONS

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1884 TO 2003

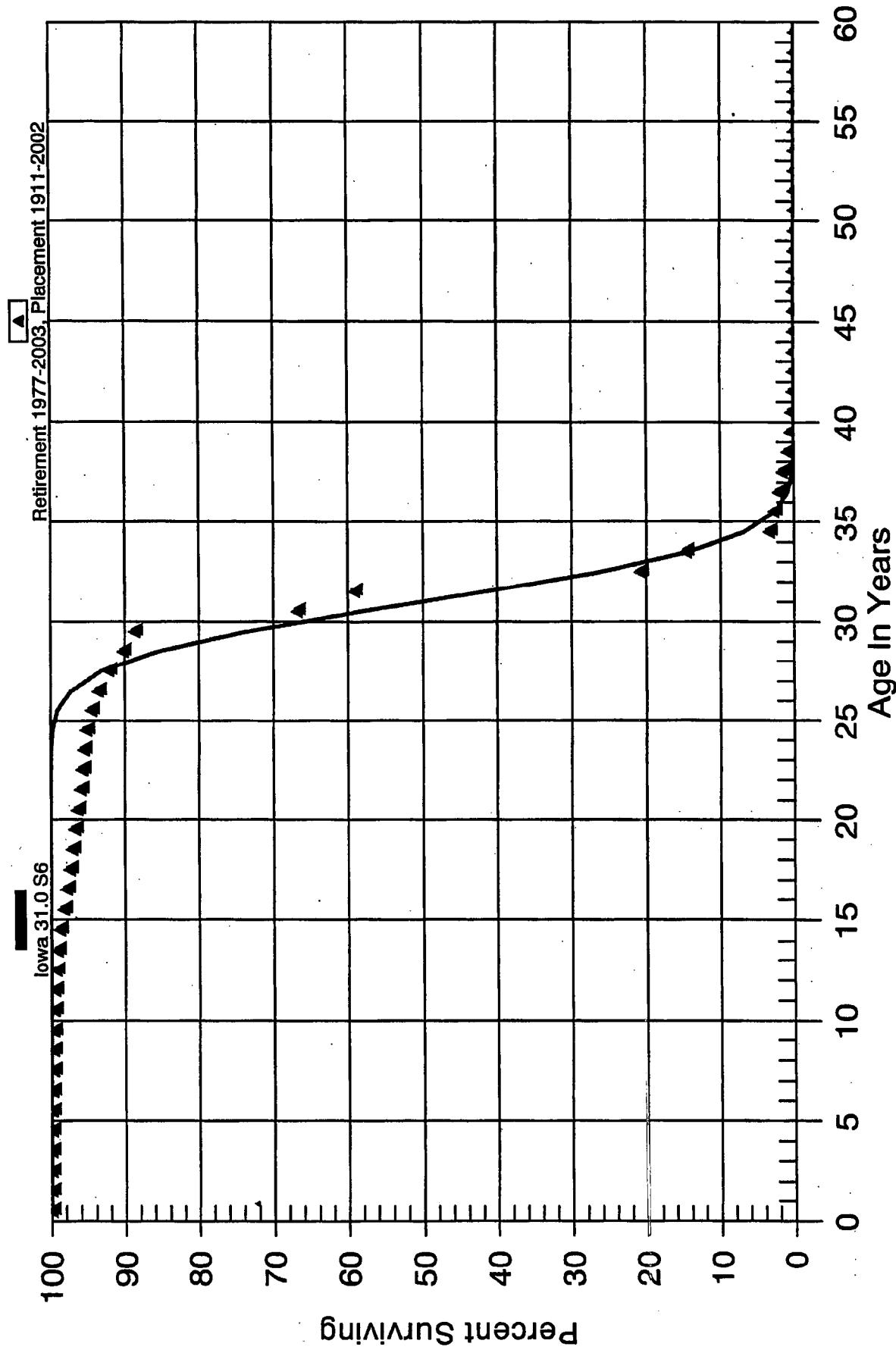
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$39,738,408.24	\$0.00	0.00000	100.00
0.5 - 1.5	\$38,320,020.24	\$41,838.42	0.00109	100.00
1.5 - 2.5	\$36,987,790.63	\$28,433.01	0.00077	99.89
2.5 - 3.5	\$34,991,973.36	\$22,452.67	0.00064	99.81
3.5 - 4.5	\$32,729,548.38	\$21,207.55	0.00065	99.75
4.5 - 5.5	\$30,830,029.77	\$24,394.66	0.00079	99.69
5.5 - 6.5	\$28,851,161.20	\$23,752.07	0.00082	99.61
6.5 - 7.5	\$27,197,909.66	\$20,778.29	0.00076	99.52
7.5 - 8.5	\$25,478,612.49	\$19,508.71	0.00077	99.45
8.5 - 9.5	\$24,059,224.76	\$25,029.86	0.00104	99.37
9.5 - 10.5	\$22,482,865.13	\$18,548.16	0.00082	99.27
10.5 - 11.5	\$21,145,607.57	\$19,607.89	0.00093	99.19
11.5 - 12.5	\$19,688,380.06	\$26,216.76	0.00133	99.09
12.5 - 13.5	\$17,978,386.39	\$19,460.54	0.00108	98.96
13.5 - 14.5	\$15,517,556.46	\$15,578.99	0.00100	98.86
14.5 - 15.5	\$13,397,281.30	\$21,829.43	0.00163	98.76
15.5 - 16.5	\$11,409,481.17	\$21,189.25	0.00186	98.60
16.5 - 17.5	\$9,670,655.91	\$20,041.25	0.00207	98.41
17.5 - 18.5	\$8,221,836.40	\$20,378.23	0.00248	98.21
18.5 - 19.5	\$7,041,415.74	\$22,374.64	0.00318	97.97
19.5 - 20.5	\$6,059,819.30	\$22,796.40	0.00376	97.65
20.5 - 21.5	\$5,172,976.87	\$12,928.81	0.00250	97.29
21.5 - 22.5	\$4,558,961.18	\$20,896.42	0.00458	97.04
22.5 - 23.5	\$4,051,437.77	\$9,158.15	0.00226	96.60
23.5 - 24.5	\$3,627,367.29	\$8,849.85	0.00244	96.38
24.5 - 25.5	\$3,298,875.14	\$19,215.37	0.00582	96.15
25.5 - 26.5	\$3,103,134.69	\$5,854.36	0.00189	95.58
26.5 - 27.5	\$2,919,811.80	\$7,038.10	0.00241	95.40
27.5 - 28.5	\$2,701,922.20	\$6,946.03	0.00257	95.17
28.5 - 29.5	\$2,399,724.80	\$4,893.64	0.00204	94.93
29.5 - 30.5	\$2,063,717.69	\$7,168.26	0.00347	94.74
30.5 - 31.5	\$1,927,861.98	\$5,253.88	0.00273	94.41
31.5 - 32.5	\$1,790,357.76	\$4,702.24	0.00263	94.15
32.5 - 33.5	\$1,611,590.72	\$5,754.23	0.00357	93.90
33.5 - 34.5	\$1,452,670.51	\$3,594.34	0.00247	93.57
34.5 - 35.5	\$1,307,850.38	\$2,409.53	0.00184	93.34
35.5 - 36.5	\$1,184,795.63	\$2,597.90	0.00219	93.16

Bay State Gas Company
Total Company
382.00 METER INSTALLATIONS

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1884 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$1,047,143.73	\$1,854.73	0.00177	92.96
37.5 - 38.5	\$869,247.77	\$1,710.43	0.00197	92.80
38.5 - 39.5	\$762,499.46	\$1,971.38	0.00259	92.61
39.5 - 40.5	\$670,837.72	\$1,849.42	0.00276	92.37
40.5 - 41.5	\$588,794.46	\$2,290.11	0.00389	92.12
41.5 - 42.5	\$515,658.91	\$2,164.98	0.00420	91.76
42.5 - 43.5	\$451,614.62	\$1,285.80	0.00285	91.37
43.5 - 44.5	\$396,638.67	\$911.94	0.00230	91.11
44.5 - 45.5	\$355,952.61	\$2,200.44	0.00618	90.91
45.5 - 46.5	\$310,044.30	\$1,025.67	0.00331	90.34
46.5 - 47.5	\$271,285.26	\$3,008.09	0.01109	90.04
47.5 - 48.5	\$227,009.58	\$4,231.74	0.01864	89.05
48.5 - 49.5	\$197,869.93	\$10,885.69	0.05501	87.39
49.5 - 50.5	\$153,253.69	\$28,442.04	0.18559	82.58
50.5 - 51.5	\$105,943.22	\$19,032.03	0.17964	67.25
51.5 - 52.5	\$95,780.19	\$20,875.56	0.21795	55.17
52.5 - 53.5	\$84,445.44	\$9,376.74	0.11104	43.15
53.5 - 54.5	\$60,541.82	\$6,751.40	0.08382	38.36
54.5 - 55.5	\$78,336.07	\$9,908.54	0.12649	35.14
55.5 - 56.5	\$74,260.42	\$3,817.10	0.05140	30.70
56.5 - 57.5	\$76,151.88	\$4,781.64	0.06279	29.12
57.5 - 58.5	\$71,400.52	\$6,717.21	0.09408	27.29
58.5 - 59.5	\$69,015.95	\$8,895.95	0.12890	24.72
59.5 - 60.5	\$60,514.33	\$6,227.20	0.10290	21.54
60.5 - 61.5	\$64,591.50	\$3,329.08	0.05154	19.32
61.5 - 62.5	\$61,682.76	\$3,210.04	0.05204	18.32
62.5 - 63.5	\$69,282.91	\$1,372.91	0.01982	17.37
63.5 - 64.5	\$68,074.69	\$3,203.55	0.04706	17.03
64.5 - 65.5	\$73,999.86	\$1,127.93	0.01524	16.22
65.5 - 66.5	\$77,014.17	\$3,353.27	0.04354	15.98
66.5 - 67.5	\$140,273.17	\$898.42	0.00640	15.28
67.5 - 68.5	\$139,923.31	\$2,787.87	0.01992	15.18
68.5 - 69.5	\$138,670.66	\$3,272.25	0.02360	14.88
69.5 - 70.5	\$135,499.29	\$4,152.23	0.03064	14.53
70.5 - 71.5	\$131,899.99	\$1,473.40	0.01117	14.08
71.5 - 72.5	\$131,247.60	\$1,335.90	0.01018	13.93
72.5 - 73.5	\$130,113.24	\$1,466.10	0.01127	13.79

Bay State Gas Company
Total Company
383.00 GAS REGULATOR
Original And Smooth Survivor Curves

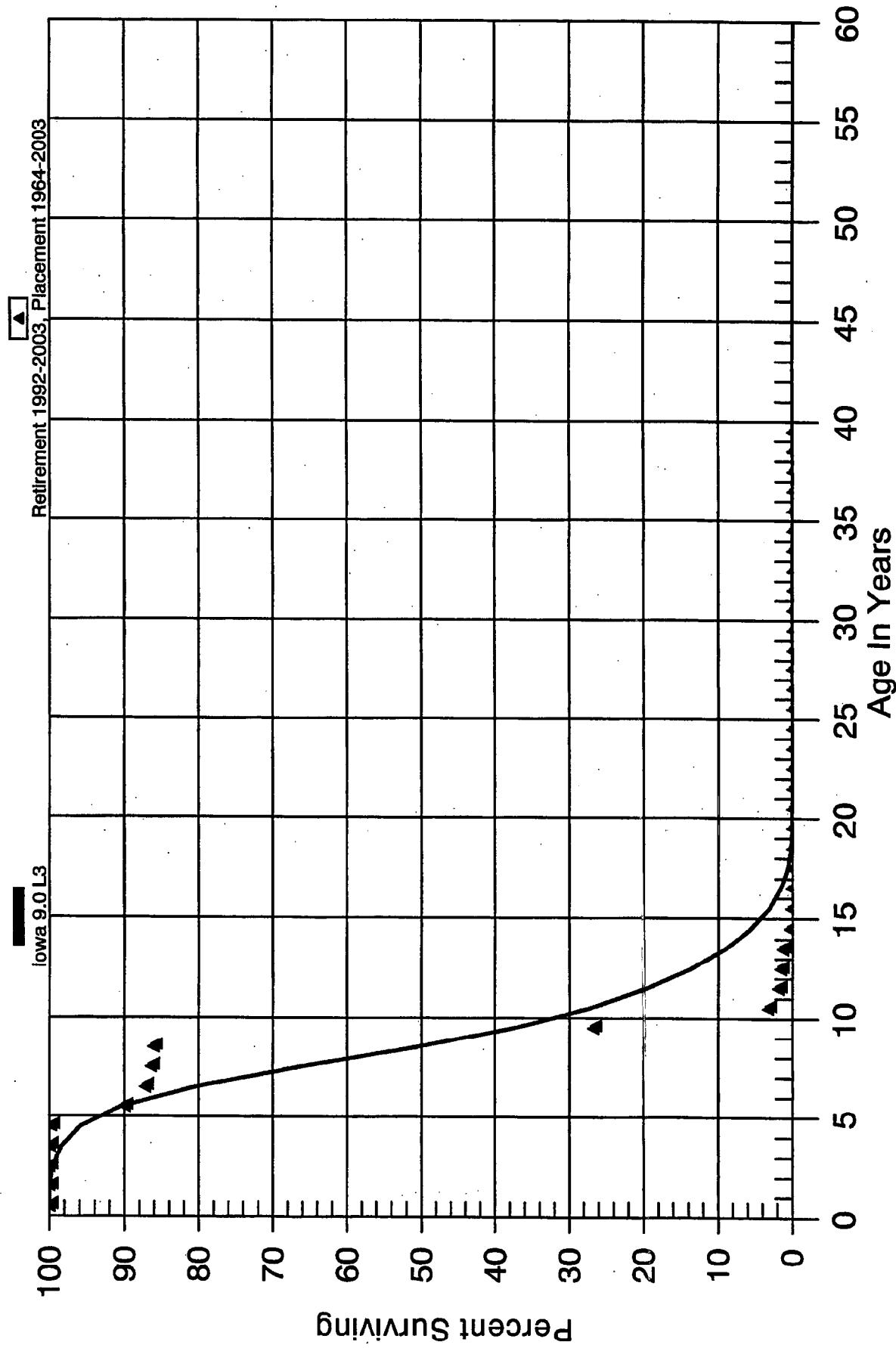


Bay State Gas Company
Total Company
383.00 GAS REGULATORS

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1911 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$13,183,530.63	\$0.00	0.00000	100.00
0.5 - 1.5	\$13,514,298.52	\$687.96	0.00005	100.00
1.5 - 2.5	\$13,561,984.48	\$1,524.54	0.00011	99.99
2.5 - 3.5	\$13,473,198.46	\$1,420.43	0.00011	99.98
3.5 - 4.5	\$13,388,167.43	\$3,504.02	0.00026	99.97
4.5 - 5.5	\$13,413,573.17	\$4,124.26	0.00031	99.95
5.5 - 6.5	\$12,341,557.32	\$5,787.35	0.00047	99.92
6.5 - 7.5	\$11,495,796.29	\$9,277.63	0.00081	99.87
7.5 - 8.5	\$10,512,965.76	\$4,694.83	0.00045	99.79
8.5 - 9.5	\$10,518,038.32	\$4,806.62	0.00046	99.74
9.5 - 10.5	\$9,192,459.24	\$6,157.65	0.00067	99.70
10.5 - 11.5	\$7,840,603.76	\$7,132.20	0.00091	99.63
11.5 - 12.5	\$6,220,770.79	\$10,072.54	0.00162	99.54
12.5 - 13.5	\$4,656,643.10	\$9,208.81	0.00198	99.38
13.5 - 14.5	\$4,168,777.59	\$12,602.63	0.00302	99.18
14.5 - 15.5	\$3,730,142.95	\$21,774.80	0.00584	98.88
15.5 - 16.5	\$3,494,140.56	\$13,070.67	0.00374	98.31
16.5 - 17.5	\$3,512,434.38	\$14,884.35	0.00424	97.94
17.5 - 18.5	\$3,504,740.69	\$12,525.40	0.00357	97.52
18.5 - 19.5	\$3,332,908.57	\$12,298.23	0.00369	97.18
19.5 - 20.5	\$3,150,657.48	\$11,299.06	0.00359	96.82
20.5 - 21.5	\$2,860,812.66	\$12,197.59	0.00426	96.47
21.5 - 22.5	\$2,673,179.46	\$5,555.89	0.00208	96.06
22.5 - 23.5	\$2,363,510.99	\$5,255.25	0.00222	95.86
23.5 - 24.5	\$1,846,080.48	\$6,439.27	0.00349	95.65
24.5 - 25.5	\$1,470,763.51	\$10,826.46	0.00736	95.31
25.5 - 26.5	\$1,042,467.07	\$9,673.96	0.00928	94.61
26.5 - 27.5	\$903,579.51	\$13,933.54	0.01542	93.73
27.5 - 28.5	\$566,049.72	\$12,017.16	0.02123	92.29
28.5 - 29.5	\$505,352.52	\$8,834.35	0.01748	90.33
29.5 - 30.5	\$492,510.38	\$121,411.84	0.24652	88.75
30.5 - 31.5	\$371,634.43	\$43,043.31	0.11582	66.87
31.5 - 32.5	\$329,086.02	\$212,999.69	0.64725	59.13
32.5 - 33.5	\$116,556.71	\$34,364.85	0.29483	20.86
33.5 - 34.5	\$82,758.80	\$63,212.18	0.76381	14.71
34.5 - 35.5	\$19,989.77	\$3,841.91	0.19219	3.47
35.5 - 36.5	\$17,720.54	\$3,950.01	0.22291	2.81

Bay State Gas Company
Total Company
391.10 OFFICE FURNITURE AND EQUIPMENT
Original And Smooth Survivor Curves



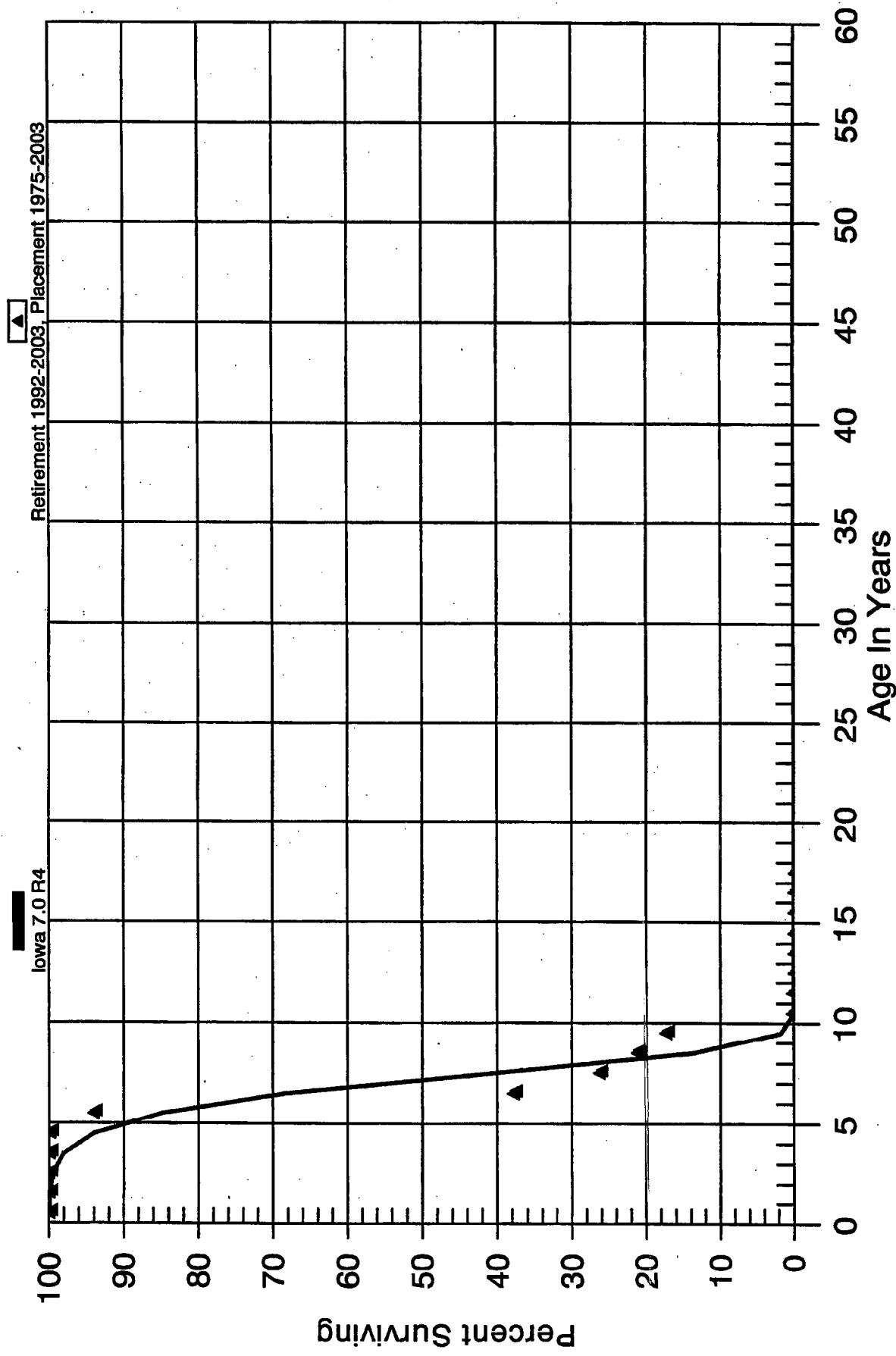
Bay State Gas Company
Total Company

391.10 OFFICE FURNITURE AND EQUIPMENT

Observed Life Table
Retirement Expr. 1992 TO 2003
Placement Years 1964 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$4,925,378.54	\$0.00	0.00000	100.00
0.5 - 1.5	\$7,903,679.37	\$575.11	0.00007	100.00
1.5 - 2.5	\$8,242,997.96	\$457.80	0.00006	99.99
2.5 - 3.5	\$8,319,869.48	\$4,242.87	0.00051	99.99
3.5 - 4.5	\$8,471,396.31	\$15,238.62	0.00180	99.94
4.5 - 5.5	\$8,530,091.31	\$833,746.81	0.09774	99.76
5.5 - 6.5	\$6,668,382.26	\$205,134.27	0.03076	90.01
6.5 - 7.5	\$6,008,405.01	\$55,425.29	0.00922	87.24
7.5 - 8.5	\$5,108,916.16	\$18,946.19	0.00371	86.43
8.5 - 9.5	\$4,582,255.92	\$3,155,256.29	0.68858	86.11
9.5 - 10.5	\$1,422,863.22	\$1,248,250.10	0.87728	26.82
10.5 - 11.5	\$308,806.47	\$130,270.32	0.42185	3.29
11.5 - 12.5	\$206,037.76	\$34,306.37	0.16651	1.90
12.5 - 13.5	\$155,011.88	\$26,061.14	0.16812	1.59
13.5 - 14.5	\$188,440.87	\$150,440.74	0.79834	1.32
14.5 - 15.5	\$65,191.74	\$36,510.16	0.56004	0.27
15.5 - 16.5	\$50,964.94	\$16,871.83	0.33105	0.12
16.5 - 17.5	\$79,902.24	\$35,097.43	0.43925	0.08
17.5 - 18.5	\$79,792.34	\$44,356.18	0.55590	0.04
18.5 - 19.5	\$46,757.21	\$35,816.00	0.76600	0.02
19.5 - 20.5	\$14,182.46	\$10,808.20	0.76208	0.00
20.5 - 21.5	\$5,102.49	\$3,241.25	0.63523	0.00
21.5 - 22.5	\$9,255.96	\$742.80	0.08025	0.00
22.5 - 23.5	\$29,591.43	\$7,394.72	0.24989	0.00
23.5 - 24.5	\$22,196.71	\$21,078.27	0.94961	0.00
24.5 - 25.5	\$1,793.44	\$0.00	0.00000	0.00
25.5 - 26.5	\$1,793.44	\$675.00	0.37637	0.00
26.5 - 27.5	\$18,178.12	\$0.00	0.00000	0.00
27.5 - 28.5	\$21,326.33	\$17,059.68	0.79994	0.00
28.5 - 29.5	\$4,266.65	\$3,148.21	0.73786	0.00
29.5 - 30.5	\$985.43	\$0.00	0.00000	0.00
30.5 - 31.5	\$985.43	\$0.39	0.00040	0.00
31.5 - 32.5	\$985.04	\$0.00	0.00000	0.00
32.5 - 33.5	\$0.00	\$0.00	0.00000	0.00
33.5 - 34.5	\$0.00	\$0.00	0.00000	0.00
34.5 - 35.5	\$0.00	\$0.00	0.00000	0.00
35.5 - 36.5	\$0.00	\$0.00	0.00000	0.00

Bay State Gas Company
Total Company
391.20 COMPUTERS AND IT EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

391.20 COMPUTERS AND IT EQUIPMENT

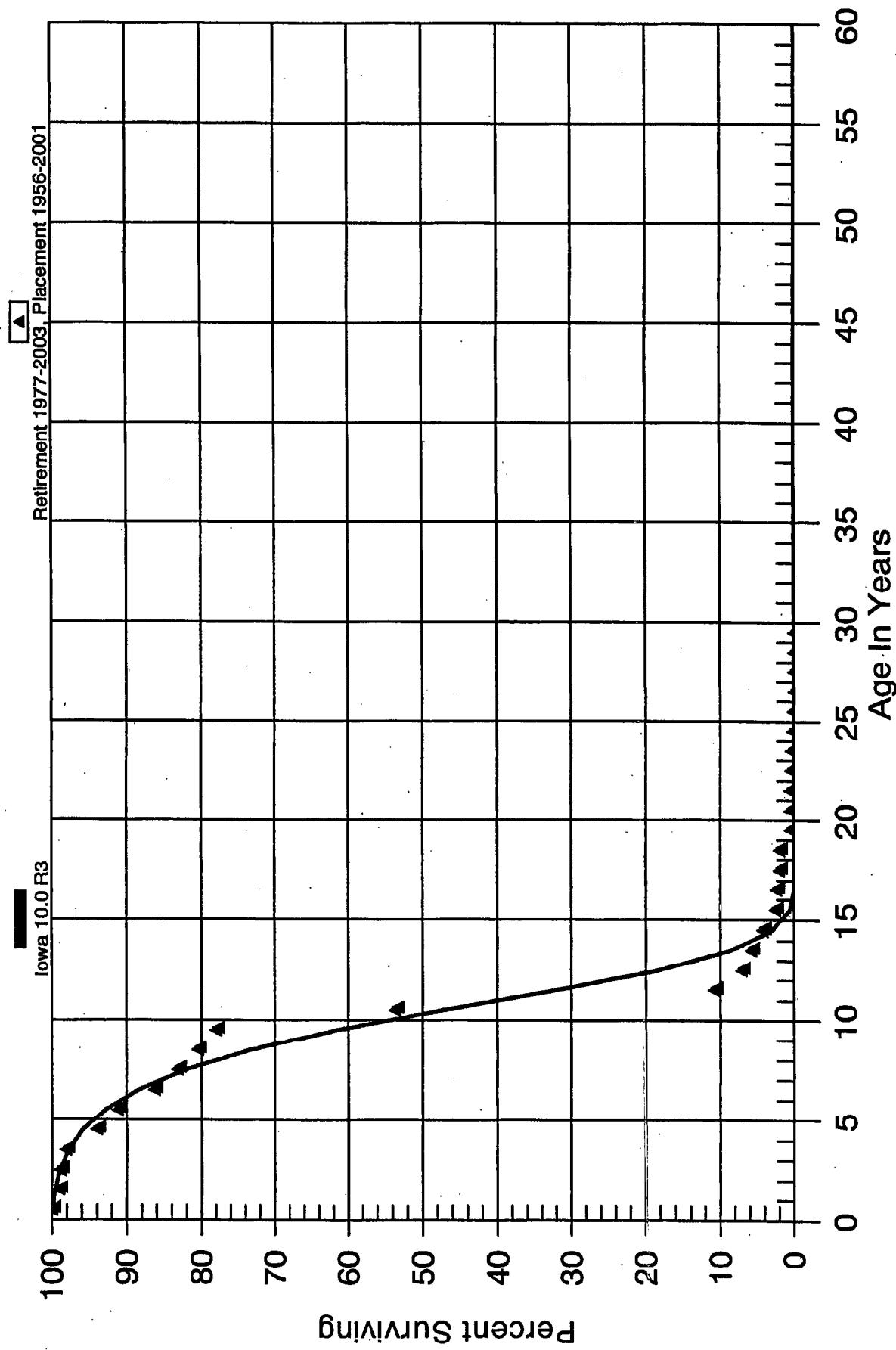
Observed Life Table

Retirement Expr. 1992 TO 2003

Placement Years 1975 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$9,428,157.15	\$0.00	0.00000	100.00
0.5 - 1.5	\$9,574,116.23	\$0.00	0.00000	100.00
1.5 - 2.5	\$9,574,571.83	\$0.00	0.00000	100.00
2.5 - 3.5	\$8,922,469.87	\$3,360.31	0.00038	100.00
3.5 - 4.5	\$8,801,163.78	\$6,436.75	0.00073	99.96
4.5 - 5.5	\$6,160,819.03	\$358,506.98	0.05819	99.89
5.5 - 6.5	\$4,447,967.04	\$2,657,236.26	0.59740	94.08
6.5 - 7.5	\$1,526,684.49	\$466,912.25	0.30583	37.87
7.5 - 8.5	\$666,367.22	\$127,730.58	0.19168	26.29
8.5 - 9.5	\$534,212.94	\$96,968.95	0.18152	21.25
9.5 - 10.5	\$49,579.93	\$48,946.01	0.98721	17.39
10.5 - 11.5	\$32,259.92	\$0.00	0.00000	0.22
11.5 - 12.5	\$32,259.92	\$31,626.00	0.98035	0.22
12.5 - 13.5	\$2,801.87	\$0.00	0.00000	0.00
13.5 - 14.5	\$2,801.87	\$2,167.95	0.77375	0.00
14.5 - 15.5	\$633.92	\$0.00	0.00000	0.00
15.5 - 16.5	\$2,867.34	\$2,127.50	0.74198	0.00
16.5 - 17.5	\$22,929.14	\$739.84	0.03227	0.00

Bay State Gas Company
Total Company
392.00 TRANSPORTATION EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

392.00 TRANSPORTATION EQUIPMENT

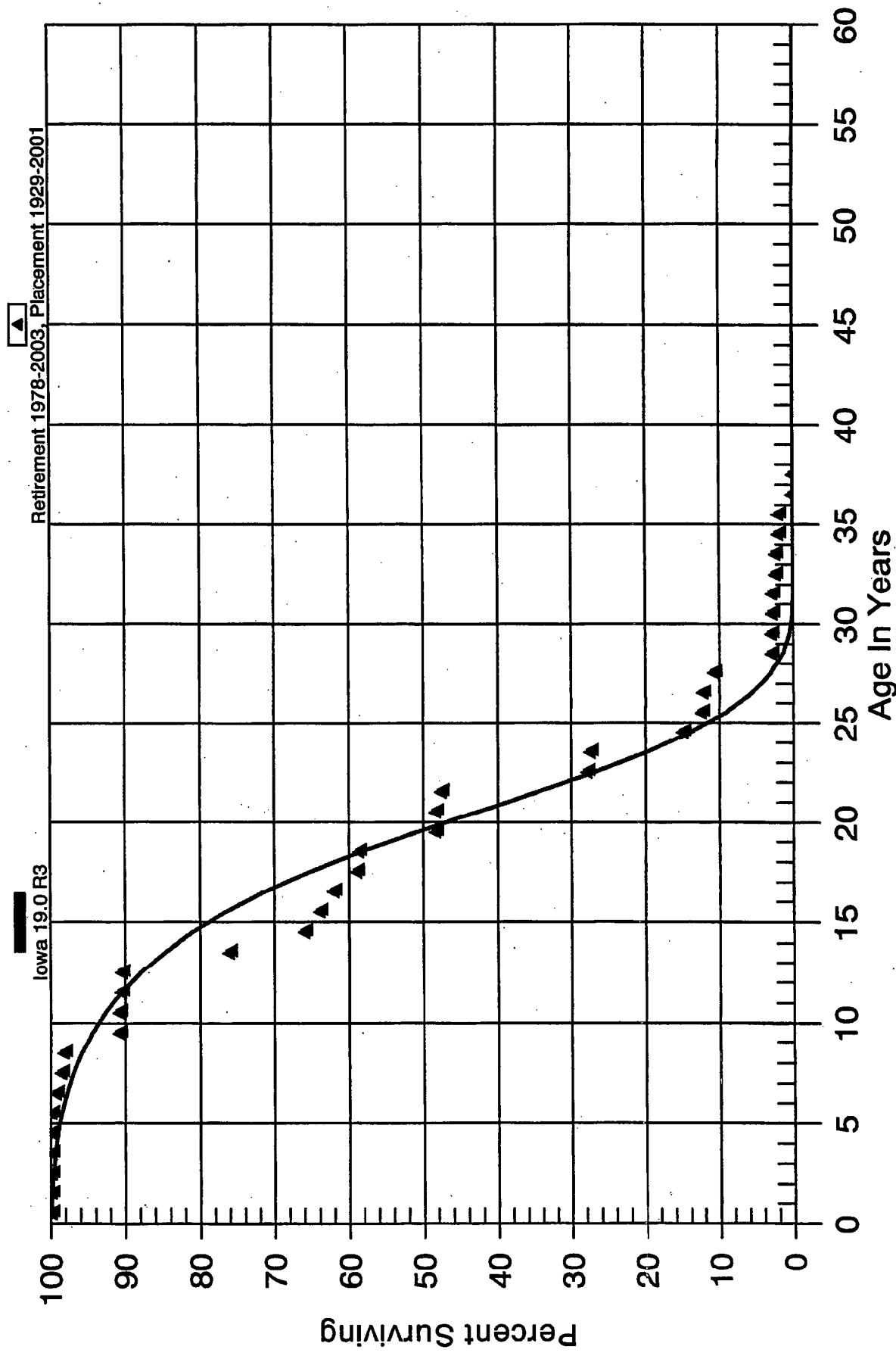
Observed Life Table

Retirement Expr. 1977 TO 2003

Placement Years 1956 TO 2001

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$10,916,864.65	\$0.00	0.00000	100.00
0.5 - 1.5	\$10,763,030.20	\$96,501.24	0.00897	100.00
1.5 - 2.5	\$10,633,790.19	\$23,372.25	0.00220	99.10
2.5 - 3.5	\$10,574,152.31	\$82,566.57	0.00781	98.89
3.5 - 4.5	\$10,308,421.54	\$426,048.33	0.04133	98.11
4.5 - 5.5	\$9,685,081.57	\$289,157.80	0.02986	94.06
5.5 - 6.5	\$9,239,311.01	\$501,479.21	0.05428	91.25
6.5 - 7.5	\$8,686,941.83	\$309,844.10	0.03567	88.30
7.5 - 8.5	\$7,607,712.37	\$249,639.86	0.03281	83.22
8.5 - 9.5	\$6,569,875.13	\$199,583.62	0.03038	80.49
9.5 - 10.5	\$5,408,250.23	\$1,690,345.94	0.31255	78.04
10.5 - 11.5	\$3,665,527.21	\$2,925,604.61	0.79814	53.65
11.5 - 12.5	\$743,018.60	\$254,488.21	0.34251	10.83
12.5 - 13.5	\$490,250.95	\$86,076.29	0.17558	7.12
13.5 - 14.5	\$421,216.70	\$113,134.92	0.26859	5.87
14.5 - 15.5	\$308,081.78	\$123,253.62	0.40007	4.29
15.5 - 16.5	\$184,828.16	\$8,053.30	0.04357	2.58
16.5 - 17.5	\$176,774.86	\$28,003.98	0.15842	2.46
17.5 - 18.5	\$148,770.88	\$0.00	0.00000	2.07
18.5 - 19.5	\$148,770.88	\$108,603.40	0.73000	2.07
19.5 - 20.5	\$40,167.48	\$580.00	0.01444	0.56
20.5 - 21.5	\$39,806.81	\$0.00	0.00000	0.55
21.5 - 22.5	\$39,806.81	\$5,286.58	0.13281	0.55
22.5 - 23.5	\$34,520.23	\$6,708.47	0.19433	0.48
23.5 - 24.5	\$27,811.76	\$10,406.23	0.37417	0.39
24.5 - 25.5	\$17,405.53	\$4,531.74	0.26036	0.24
25.5 - 26.5	\$12,873.79	\$8,829.09	0.68582	0.18
26.5 - 27.5	\$4,044.70	\$736.35	0.18205	0.06
27.5 - 28.5	\$3,308.35	\$0.00	0.00000	0.05
28.5 - 29.5	\$3,308.35	\$0.00	0.00000	0.05

Bay State Gas Company
Total Company
393.00 STORES EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

393.00 STORES EQUIPMENT

Observed Life Table

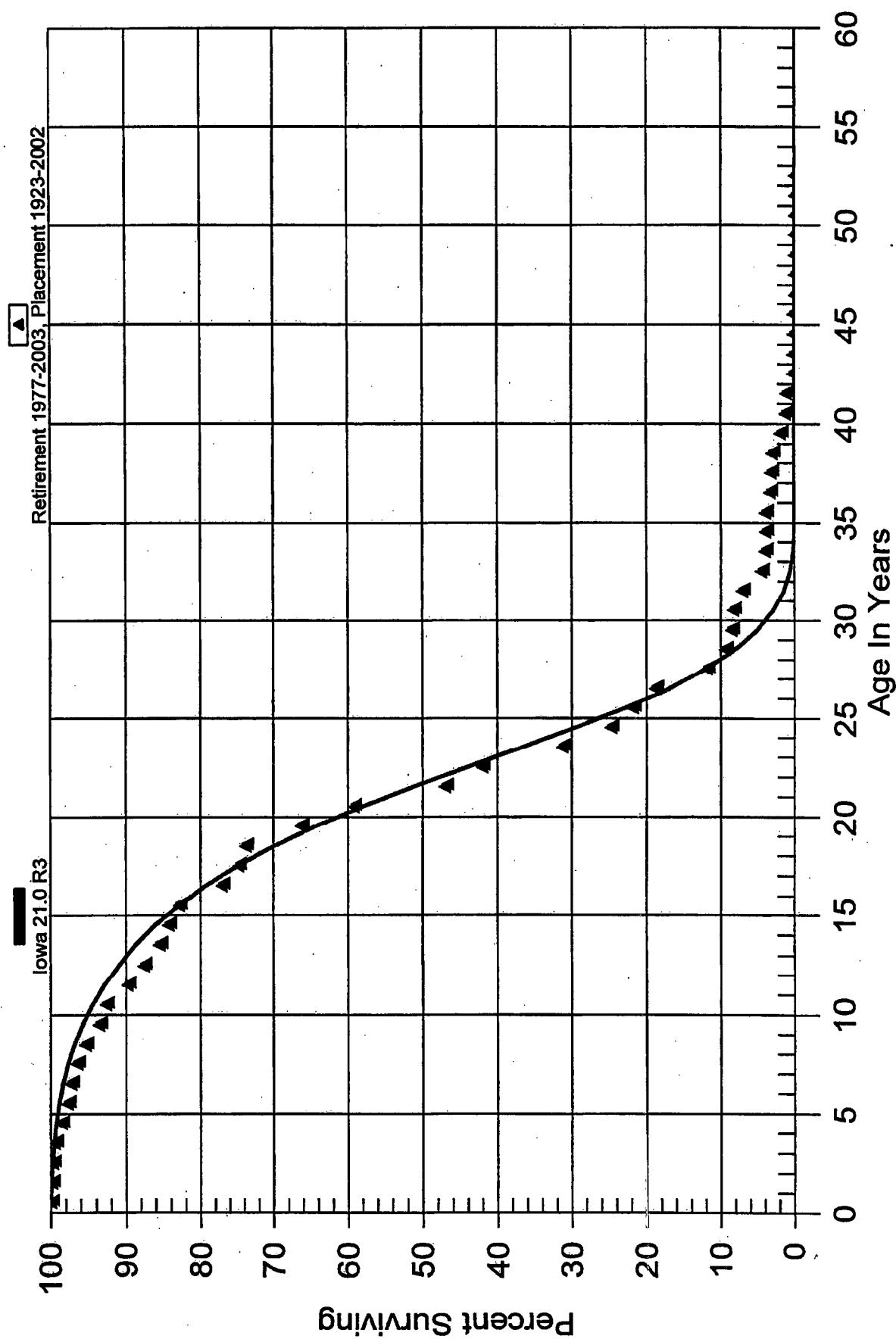
Retirement Expr. 1978 TO 2003

Placement Years 1929 TO 2001

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$109,725.49	\$0.00	0.00000	100.00
0.5 - 1.5	\$109,868.47	\$0.00	0.00000	100.00
1.5 - 2.5	\$132,053.67	\$0.00	0.00000	100.00
2.5 - 3.5	\$116,028.70	\$0.00	0.00000	100.00
3.5 - 4.5	\$118,103.87	\$0.00	0.00000	100.00
4.5 - 5.5	\$118,103.87	\$0.00	0.00000	100.00
5.5 - 6.5	\$118,103.87	\$771.99	0.00654	100.00
6.5 - 7.5	\$117,331.88	\$794.98	0.00678	99.35
7.5 - 8.5	\$132,681.49	\$464.33	0.00350	98.67
8.5 - 9.5	\$131,385.94	\$9,890.88	0.07528	98.33
9.5 - 10.5	\$143,251.17	\$0.00	0.00000	90.93
10.5 - 11.5	\$144,220.41	\$464.58	0.00322	90.93
11.5 - 12.5	\$144,143.73	\$116.78	0.00081	90.63
12.5 - 13.5	\$144,442.73	\$22,884.76	0.15843	90.56
13.5 - 14.5	\$111,336.13	\$14,803.77	0.13296	76.21
14.5 - 15.5	\$76,110.91	\$2,355.51	0.03095	66.08
15.5 - 16.5	\$73,755.40	\$2,152.34	0.02918	64.03
16.5 - 17.5	\$73,547.04	\$3,681.88	0.05006	62.18
17.5 - 18.5	\$69,865.16	\$388.88	0.00557	59.05
18.5 - 19.5	\$69,476.28	\$12,176.57	0.17526	58.72
19.5 - 20.5	\$57,358.49	\$0.00	0.00000	48.43
20.5 - 21.5	\$57,663.44	\$879.39	0.01525	48.43
21.5 - 22.5	\$56,784.05	\$23,463.89	0.41321	47.69
22.5 - 23.5	\$37,947.19	\$587.85	0.01549	27.99
23.5 - 24.5	\$53,792.61	\$24,469.06	0.45488	27.55
24.5 - 25.5	\$33,944.95	\$5,661.52	0.16679	15.02
25.5 - 26.5	\$28,375.85	\$445.22	0.01569	12.51
26.5 - 27.5	\$29,212.10	\$3,596.00	0.12310	12.32
27.5 - 28.5	\$25,846.42	\$18,487.38	0.71528	10.80
28.5 - 29.5	\$7,359.04	\$0.00	0.00000	3.08
29.5 - 30.5	\$7,394.31	\$252.88	0.03420	3.08
30.5 - 31.5	\$7,141.43	\$0.00	0.00000	2.97
31.5 - 32.5	\$7,141.43	\$1,053.02	0.14745	2.97
32.5 - 33.5	\$6,088.41	\$66.59	0.00929	2.53
33.5 - 34.5	\$6,031.82	\$920.90	0.15267	2.51
34.5 - 35.5	\$5,110.92	\$0.00	0.00000	2.13
35.5 - 36.5	\$5,110.92	\$4,498.94	0.88026	2.13

Bay State Gas Company

Total Company
394.00 TOOLS, SHOP AND GARAGE EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company
394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1923 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$1,782,481.97	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,806,690.86	\$2,415.00	0.00134	100.00
1.5 - 2.5	\$1,800,723.44	\$1,863.26	0.00103	99.87
2.5 - 3.5	\$1,799,547.59	\$5,187.01	0.00288	99.76
3.5 - 4.5	\$1,763,937.08	\$15,290.06	0.00867	99.48
4.5 - 5.5	\$1,124,755.74	\$9,259.12	0.00823	98.61
5.5 - 6.5	\$1,066,228.97	\$5,174.05	0.00485	97.80
6.5 - 7.5	\$1,038,157.70	\$8,503.99	0.00819	97.33
7.5 - 8.5	\$991,238.81	\$11,151.46	0.01125	96.53
8.5 - 9.5	\$858,175.37	\$16,016.42	0.01866	95.44
9.5 - 10.5	\$764,458.05	\$7,585.23	0.00992	93.66
10.5 - 11.5	\$705,194.27	\$22,273.09	0.03158	92.73
11.5 - 12.5	\$620,385.08	\$14,919.80	0.02405	89.80
12.5 - 13.5	\$567,094.74	\$13,491.53	0.02379	87.64
13.5 - 14.5	\$479,771.47	\$6,574.79	0.01370	85.56
14.5 - 15.5	\$433,157.17	\$7,328.77	0.01692	84.39
15.5 - 16.5	\$405,760.70	\$28,562.64	0.07039	82.96
16.5 - 17.5	\$341,429.44	\$10,134.65	0.02968	77.12
17.5 - 18.5	\$209,691.96	\$2,687.56	0.01282	74.83
18.5 - 19.5	\$172,873.56	\$17,677.88	0.10228	73.87
19.5 - 20.5	\$103,785.32	\$11,097.12	0.10692	66.32
20.5 - 21.5	\$60,634.61	\$12,478.10	0.20579	59.23
21.5 - 22.5	\$46,910.34	\$4,919.99	0.10488	47.04
22.5 - 23.5	\$42,858.87	\$11,014.29	0.25699	42.10
23.5 - 24.5	\$27,070.65	\$5,659.54	0.20907	31.28
24.5 - 25.5	\$27,013.66	\$3,176.57	0.11759	24.74
25.5 - 26.5	\$29,972.57	\$4,148.33	0.13834	21.83
26.5 - 27.5	\$26,511.80	\$9,715.74	0.36647	18.81
27.5 - 28.5	\$19,582.05	\$4,090.28	0.20888	11.92
28.5 - 29.5	\$17,198.19	\$1,515.63	0.08813	9.43
29.5 - 30.5	\$15,955.61	\$444.98	0.02789	8.60
30.5 - 31.5	\$17,505.32	\$2,512.38	0.14352	8.36
31.5 - 32.5	\$14,992.94	\$5,461.00	0.36424	7.16
32.5 - 33.5	\$9,732.94	\$1,089.89	0.11198	4.55
33.5 - 34.5	\$8,643.05	\$81.32	0.00941	4.04
34.5 - 35.5	\$8,990.59	\$0.00	0.00000	4.00
35.5 - 36.5	\$8,990.59	\$1,367.57	0.15211	4.00

Bay State Gas Company
Total Company
394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

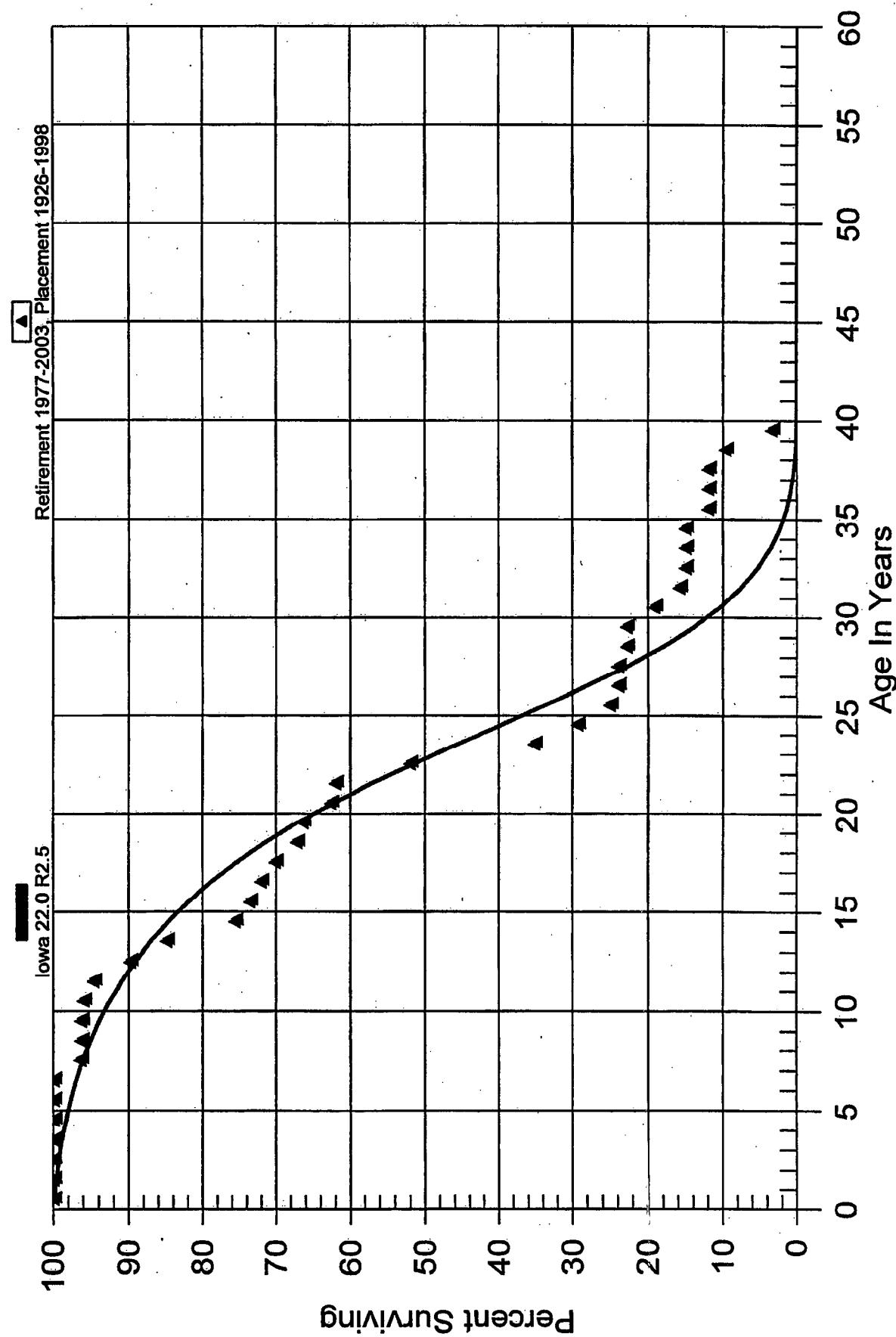
Observed Life Table

Retirement Expr. 1977 TO 2003
Placement Years 1923 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$7,712.35	\$360.00	0.04668	3.39
37.5 - 38.5	\$7,352.35	\$354.00	0.04815	3.24
38.5 - 39.5	\$7,048.15	\$2,586.61	0.38710	3.08
39.5 - 40.5	\$4,459.54	\$1,547.50	0.34701	1.95
40.5 - 41.5	\$2,912.04	\$273.05	0.09377	1.27
41.5 - 42.5	\$2,638.99	\$2,052.02	0.77758	1.15
42.5 - 43.5	\$624.12	\$0.00	0.00000	0.26
43.5 - 44.5	\$624.12	\$201.00	0.32205	0.26
44.5 - 45.5	\$423.12	\$0.00	0.00000	0.17
45.5 - 46.5	\$423.12	\$385.97	0.91220	0.17
46.5 - 47.5	\$127.03	\$0.00	0.00000	0.02
47.5 - 48.5	\$1,046.82	\$37.15	0.03549	0.02
48.5 - 49.5	\$1,009.67	\$0.00	0.00000	0.01
49.5 - 50.5	\$1,009.67	\$0.00	0.00000	0.01
50.5 - 51.5	\$1,009.67	\$0.00	0.00000	0.01
51.5 - 52.5	\$1,009.67	\$89.88	0.08902	0.01

Bay State Gas Company

Total Company
394.10 (368.00) COMPRESSOR STATION EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company
394.10 (368.00) COMPRESSOR STATION EQUIPMENT

Observed Life Table

*Retirement Expr. 1977 TO 2003
Placement Years 1926 TO 1998*

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$925,802.39	\$0.00	0.00000	100.00
0.5 - 1.5	\$955,788.85	\$0.00	0.00000	100.00
1.5 - 2.5	\$951,606.19	\$0.00	0.00000	100.00
2.5 - 3.5	\$1,022,307.48	\$0.00	0.00000	100.00
3.5 - 4.5	\$1,016,661.01	\$541.99	0.00053	100.00
4.5 - 5.5	\$1,016,019.97	\$0.00	0.00000	99.95
5.5 - 6.5	\$1,017,643.66	\$0.00	0.00000	99.95
6.5 - 7.5	\$979,967.59	\$34,509.08	0.03521	99.95
7.5 - 8.5	\$907,430.60	\$638.00	0.00070	96.43
8.5 - 9.5	\$886,451.02	\$0.00	0.00000	96.36
9.5 - 10.5	\$841,429.08	\$2,937.28	0.00349	96.36
10.5 - 11.5	\$710,717.43	\$9,691.57	0.01364	96.02
11.5 - 12.5	\$676,861.46	\$34,507.55	0.05098	94.71
12.5 - 13.5	\$588,712.45	\$31,980.57	0.05432	89.88
13.5 - 14.5	\$529,404.54	\$58,318.62	0.11016	85.00
14.5 - 15.5	\$470,211.25	\$12,381.50	0.02633	75.64
15.5 - 16.5	\$449,728.97	\$9,644.36	0.02144	73.65
16.5 - 17.5	\$438,052.61	\$11,721.75	0.02676	72.07
17.5 - 18.5	\$426,330.88	\$17,413.96	0.04085	70.14
18.5 - 19.5	\$408,916.90	\$4,894.60	0.01197	67.27
19.5 - 20.5	\$403,202.47	\$22,915.77	0.05683	66.47
20.5 - 21.5	\$380,286.70	\$3,904.06	0.01027	62.69
21.5 - 22.5	\$72,435.88	\$11,656.55	0.16092	62.05
22.5 - 23.5	\$61,529.89	\$19,931.91	0.32394	52.06
23.5 - 24.5	\$43,596.71	\$7,231.54	0.16587	35.20
24.5 - 25.5	\$37,487.71	\$5,428.07	0.14487	29.36
25.5 - 26.5	\$32,039.64	\$1,410.51	0.04402	25.11
26.5 - 27.5	\$30,629.13	\$0.00	0.00000	24.00
27.5 - 28.5	\$32,161.42	\$1,532.29	0.04764	24.00
28.5 - 29.5	\$7,310.84	\$0.00	0.00000	22.86
29.5 - 30.5	\$7,310.84	\$1,169.85	0.16002	22.86
30.5 - 31.5	\$6,140.99	\$1,050.00	0.17098	19.20
31.5 - 32.5	\$5,090.99	\$268.42	0.05272	15.92
32.5 - 33.5	\$4,822.57	\$0.00	0.00000	15.08
33.5 - 34.5	\$4,822.57	\$0.00	0.00000	15.08
34.5 - 35.5	\$4,822.57	\$970.74	0.20129	15.08
35.5 - 36.5	\$3,851.83	\$0.00	0.00000	12.04

**Bay State Gas Company
Total Company**
394.10 (368.00) COMPRESSOR STATION EQUIPMENT

Observed Life Table

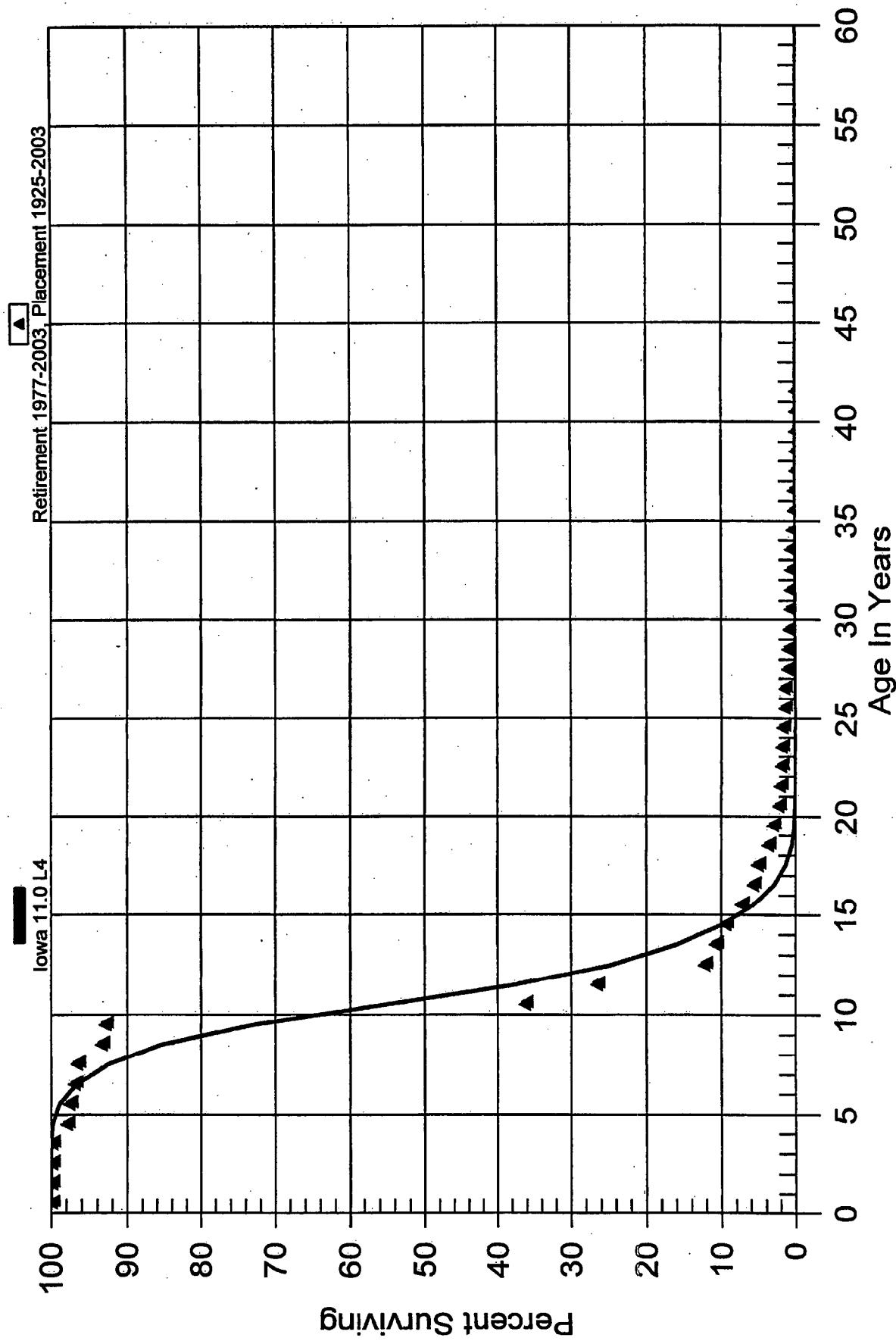
*Retirement Expr. 1977 TO 2003
Placement Years 1926 TO 1998*

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$3,851.83	\$0.00	0.00000	12.04
37.5 - 38.5	\$3,851.83	\$750.56	0.19486	12.04
38.5 - 39.5	\$3,101.27	\$1,998.73	0.64449	9.70

Bay State Gas Company

Total Company

394.30 (387.00) OTHER EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

394.30 (387.00) OTHER EQUIPMENT

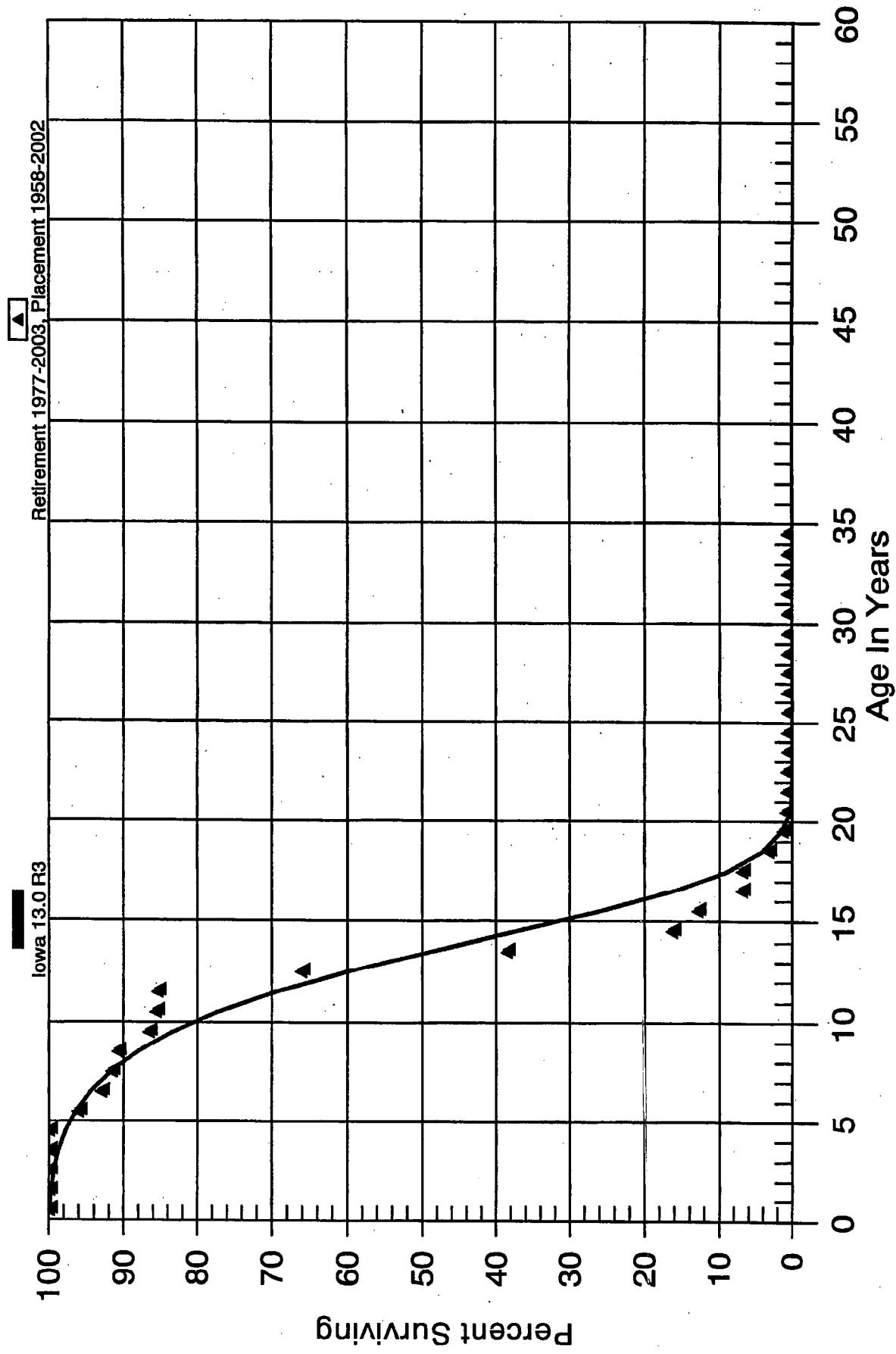
Observed Life Table

Retirement Expr. 1977 TO 2003

Placement Years 1925 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$6,125,777.38	\$0.00	0.00000	100.00
0.5 - 1.5	\$6,099,934.60	\$2,148.70	0.00035	100.00
1.5 - 2.5	\$6,012,202.71	\$2,273.61	0.00038	99.96
2.5 - 3.5	\$5,869,279.39	\$1,018.97	0.00017	99.93
3.5 - 4.5	\$5,782,553.48	\$112,119.70	0.01939	99.91
4.5 - 5.5	\$5,533,736.60	\$17,748.01	0.00321	97.97
5.5 - 6.5	\$5,384,050.50	\$37,791.85	0.00702	97.66
6.5 - 7.5	\$5,259,765.21	\$18,453.11	0.00351	96.97
7.5 - 8.5	\$5,057,869.88	\$165,951.10	0.03281	96.63
8.5 - 9.5	\$4,744,889.63	\$23,814.91	0.00502	93.46
9.5 - 10.5	\$4,607,976.53	\$2,809,801.64	0.60977	92.99
10.5 - 11.5	\$1,619,378.58	\$432,524.48	0.26709	36.29
11.5 - 12.5	\$1,106,313.16	\$593,499.94	0.53647	26.60
12.5 - 13.5	\$413,948.17	\$49,486.80	0.11955	12.33
13.5 - 14.5	\$238,605.40	\$30,541.44	0.12800	10.85
14.5 - 15.5	\$209,478.46	\$45,286.09	0.22096	9.47
15.5 - 16.5	\$167,066.87	\$36,325.48	0.21743	7.37
16.5 - 17.5	\$137,465.81	\$13,878.25	0.10096	5.77
17.5 - 18.5	\$124,828.81	\$33,398.83	0.26754	5.19
18.5 - 19.5	\$98,509.05	\$17,255.33	0.17516	3.80
19.5 - 20.5	\$83,312.71	\$20,164.94	0.24204	3.13
20.5 - 21.5	\$85,027.57	\$7,385.42	0.08866	2.38
21.5 - 22.5	\$78,023.90	\$5,278.38	0.06765	2.17
22.5 - 23.5	\$74,222.30	\$2,751.52	0.03707	2.02
23.5 - 24.5	\$77,296.10	\$5,366.18	0.06942	1.95
24.5 - 25.5	\$72,343.80	\$10,691.44	0.14779	1.81
25.5 - 26.5	\$61,652.36	\$1,287.48	0.02088	1.54
26.5 - 27.5	\$62,707.62	\$16,380.00	0.26121	1.51
27.5 - 28.5	\$46,327.62	\$1,133.90	0.02448	1.12
28.5 - 29.5	\$45,193.72	\$9,001.07	0.19917	1.09
29.5 - 30.5	\$37,674.18	\$8,251.13	0.16593	0.87
30.5 - 31.5	\$31,423.05	\$1,727.02	0.05496	0.73
31.5 - 32.5	\$29,696.03	\$523.13	0.01762	0.69
32.5 - 33.5	\$29,172.90	\$0.00	0.00000	0.68
33.5 - 34.5	\$29,172.90	\$11,301.83	0.38741	0.68
34.5 - 35.5	\$17,871.07	\$5,459.35	0.30549	0.41
35.5 - 36.5	\$12,411.72	\$0.00	0.00000	0.29

Bay State Gas Company
Total Company
396.00 POWER OPERATED EQUIPMENT
Original And Smooth Survivor Curves

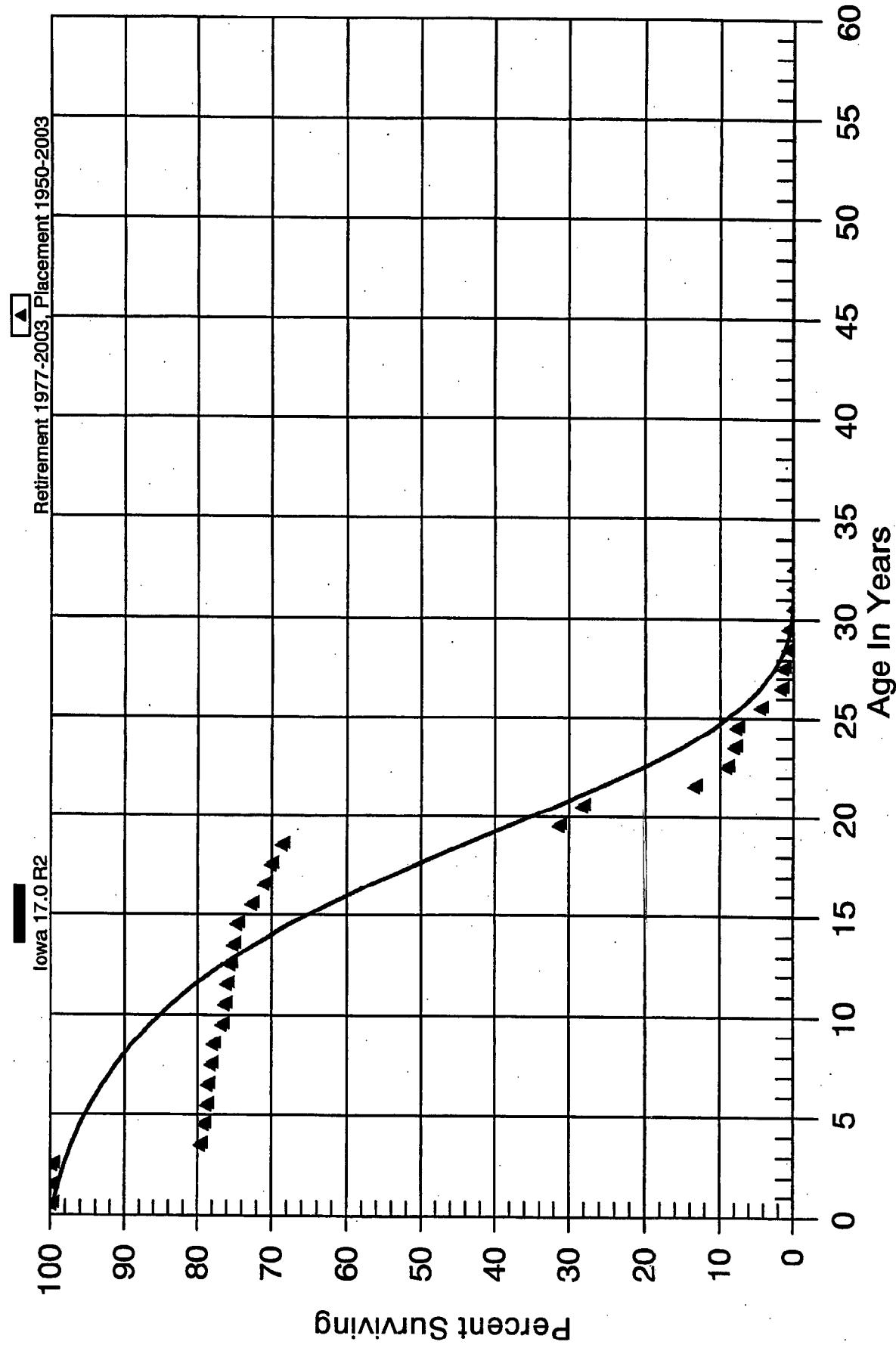


Bay State Gas Company
Total Company
396.00 POWER OPERATED EQUIPMENT

Observed Life Table
Retirement Expr. 1977 TO 2003
Placement Years 1958 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$1,456,303.84	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,457,549.14	\$0.00	0.00000	100.00
1.5 - 2.5	\$1,489,957.02	\$0.00	0.00000	100.00
2.5 - 3.5	\$1,511,429.07	\$0.00	0.00000	100.00
3.5 - 4.5	\$1,619,325.60	\$0.00	0.00000	100.00
4.5 - 5.5	\$1,640,455.70	\$63,355.31	0.03862	100.00
5.5 - 6.5	\$1,570,458.67	\$49,526.49	0.03154	96.14
6.5 - 7.5	\$1,576,079.96	\$23,960.00	0.01520	93.11
7.5 - 8.5	\$1,596,503.36	\$14,417.50	0.00903	91.69
8.5 - 9.5	\$1,496,180.39	\$69,629.96	0.04654	90.86
9.5 - 10.5	\$1,428,806.43	\$15,978.02	0.01118	86.63
10.5 - 11.5	\$1,233,742.43	\$3,458.70	0.00280	85.67
11.5 - 12.5	\$1,183,183.14	\$267,087.60	0.22574	85.43
12.5 - 13.5	\$916,922.34	\$382,558.29	0.41722	66.14
13.5 - 14.5	\$432,706.73	\$249,025.63	0.57551	38.55
14.5 - 15.5	\$215,298.85	\$45,117.20	0.20956	16.36
15.5 - 16.5	\$173,881.65	\$80,677.00	0.46398	12.93
16.5 - 17.5	\$93,204.65	\$294.00	0.00251	6.93
17.5 - 18.5	\$93,048.40	\$49,253.40	0.52933	6.92
18.5 - 19.5	\$55,631.95	\$33,197.52	0.59673	3.25
19.5 - 20.5	\$22,434.43	\$6,818.00	0.30391	1.31
20.5 - 21.5	\$15,616.43	\$2,598.75	0.16641	0.91
21.5 - 22.5	\$13,017.68	\$0.00	0.00000	0.76
22.5 - 23.5	\$13,017.68	\$1,180.73	0.09070	0.76
23.5 - 24.5	\$11,836.95	\$0.00	0.00000	0.69
24.5 - 25.5	\$11,836.95	\$0.00	0.00000	0.69
25.5 - 26.5	\$11,836.95	\$0.00	0.00000	0.69
26.5 - 27.5	\$11,836.95	\$0.00	0.00000	0.69
27.5 - 28.5	\$11,836.95	\$0.00	0.00000	0.69
28.5 - 29.5	\$11,836.95	\$0.00	0.00000	0.69
29.5 - 30.5	\$11,836.95	\$0.00	0.00000	0.69
30.5 - 31.5	\$11,836.95	\$0.00	0.00000	0.69
31.5 - 32.5	\$11,836.95	\$0.00	0.00000	0.69
32.5 - 33.5	\$11,836.95	\$0.00	0.00000	0.69
33.5 - 34.5	\$11,836.95	\$0.00	0.00000	0.69

Bay State Gas Company
Total Company
397.10 COMMUNICATION EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

397.10 COMMUNICATION EQUIPMENT

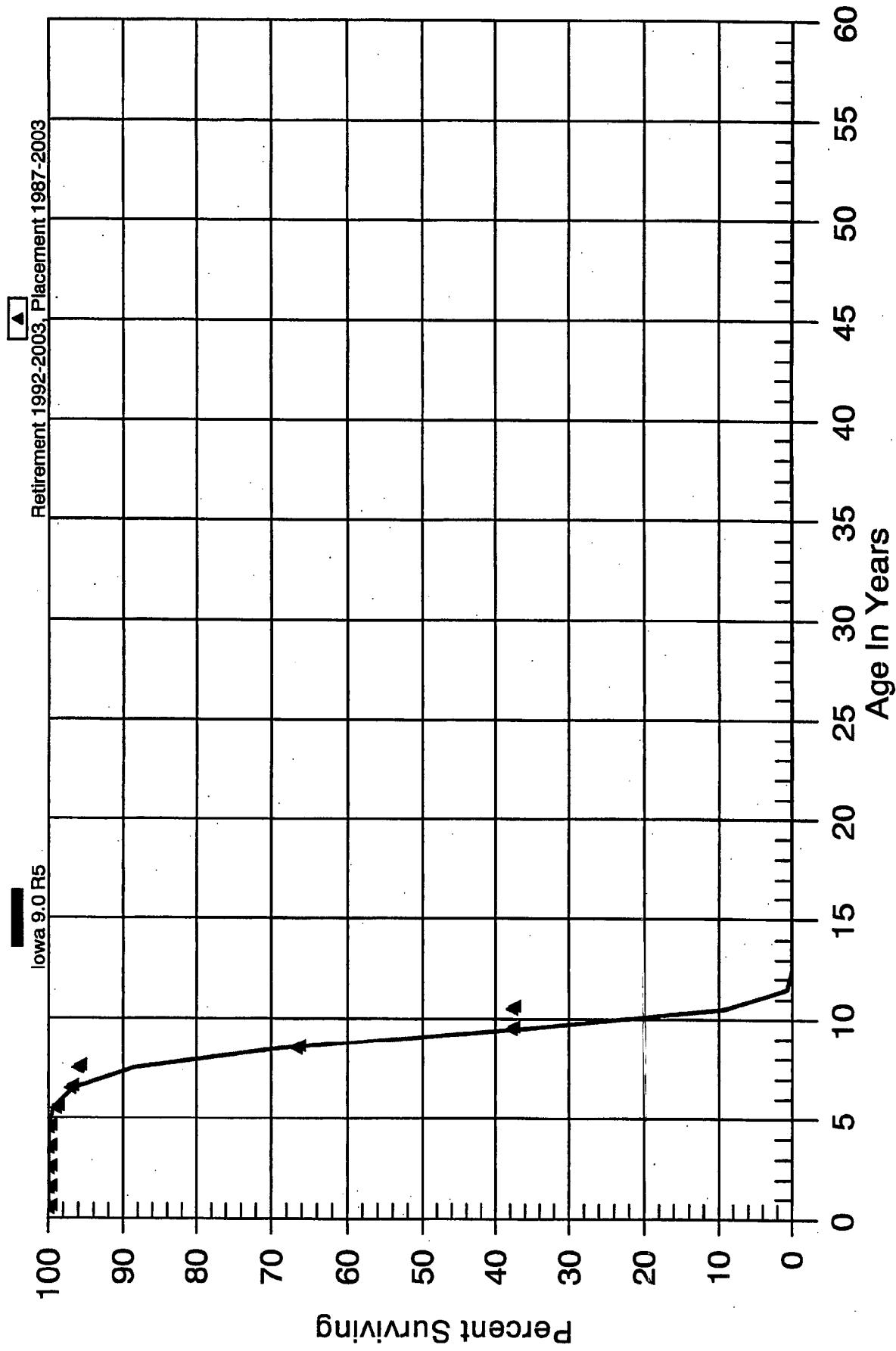
Observed Life Table

Retirement Expr. 1977 TO 2003

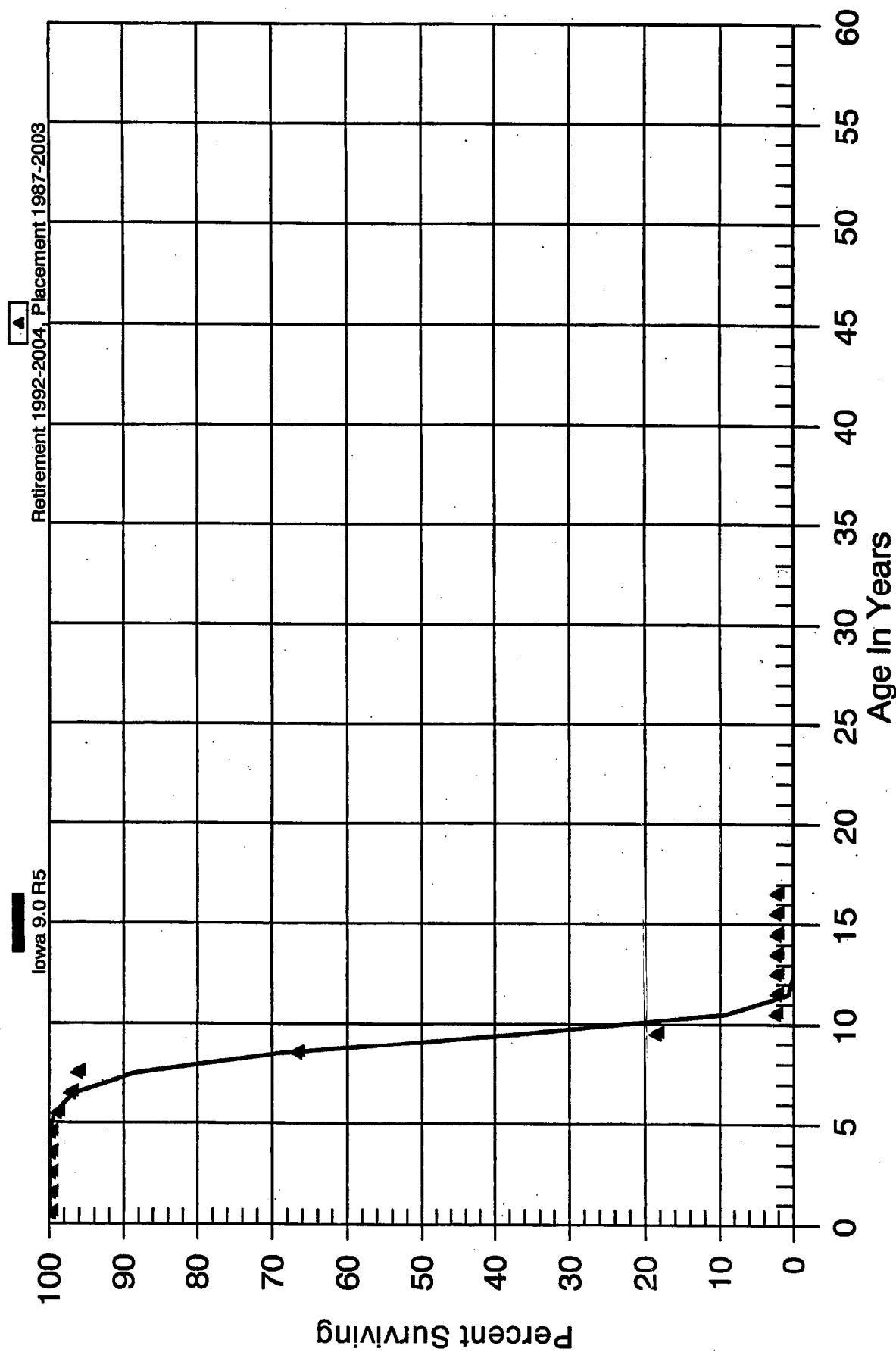
Placement Years 1950 TO 2003

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$10,221,362.55	\$0.00	0.00000	100.00
0.5 - 1.5	\$10,215,860.79	\$698.26	0.00007	100.00
1.5 - 2.5	\$10,226,222.95	\$7,656.28	0.00075	99.99
2.5 - 3.5	\$9,831,680.70	\$1,974,912.89	0.20087	99.92
3.5 - 4.5	\$7,670,630.83	\$49,577.17	0.00646	79.85
4.5 - 5.5	\$7,225,411.93	\$34,564.22	0.00478	79.33
5.5 - 6.5	\$6,131,731.26	\$13,043.64	0.00213	78.95
6.5 - 7.5	\$4,829,475.09	\$25,512.46	0.00528	78.78
7.5 - 8.5	\$4,476,481.75	\$17,023.63	0.00380	78.37
8.5 - 9.5	\$4,086,392.27	\$63,628.41	0.01557	78.07
9.5 - 10.5	\$3,805,555.01	\$18,075.77	0.00475	76.85
10.5 - 11.5	\$3,529,982.41	\$12,721.49	0.00360	76.49
11.5 - 12.5	\$3,204,005.71	\$19,884.24	0.00621	76.21
12.5 - 13.5	\$2,262,332.83	\$12,828.54	0.00567	75.74
13.5 - 14.5	\$2,050,874.50	\$12,822.39	0.00625	75.31
14.5 - 15.5	\$1,789,621.81	\$48,080.29	0.02687	74.84
15.5 - 16.5	\$1,335,244.94	\$30,456.04	0.02281	72.83
16.5 - 17.5	\$1,235,584.91	\$16,826.95	0.01362	71.17
17.5 - 18.5	\$1,160,129.89	\$23,925.76	0.02062	70.20
18.5 - 19.5	\$907,542.42	\$491,750.10	0.54185	68.75
19.5 - 20.5	\$399,024.79	\$40,127.45	0.10056	31.50
20.5 - 21.5	\$359,434.27	\$187,095.43	0.52053	28.33
21.5 - 22.5	\$174,708.21	\$55,920.75	0.32008	13.58
22.5 - 23.5	\$118,996.39	\$13,299.93	0.11177	9.24
23.5 - 24.5	\$105,696.46	\$3,668.78	0.03471	8.20
24.5 - 25.5	\$102,438.31	\$42,263.85	0.41258	7.92
25.5 - 26.5	\$60,708.58	\$36,789.84	0.60601	4.65
26.5 - 27.5	\$25,936.48	\$4,166.13	0.16063	1.83
27.5 - 28.5	\$21,770.35	\$9,636.42	0.44264	1.54
28.5 - 29.5	\$12,133.93	\$208.93	0.01722	0.86
29.5 - 30.5	\$11,925.00	\$9,879.88	0.82850	0.84
30.5 - 31.5	\$2,045.12	\$533.65	0.26094	0.14
31.5 - 32.5	\$1,511.47	\$342.43	0.22655	0.11

Bay State Gas Company
Total Company
397.20 METSCAN METER INTERFACE UNITS
Original And Smooth Survivor Curves



Bay State Gas Company
Total Company
397.20 METSCAN METER INTERFACE UNITS
Original And Smooth Survivor Curves

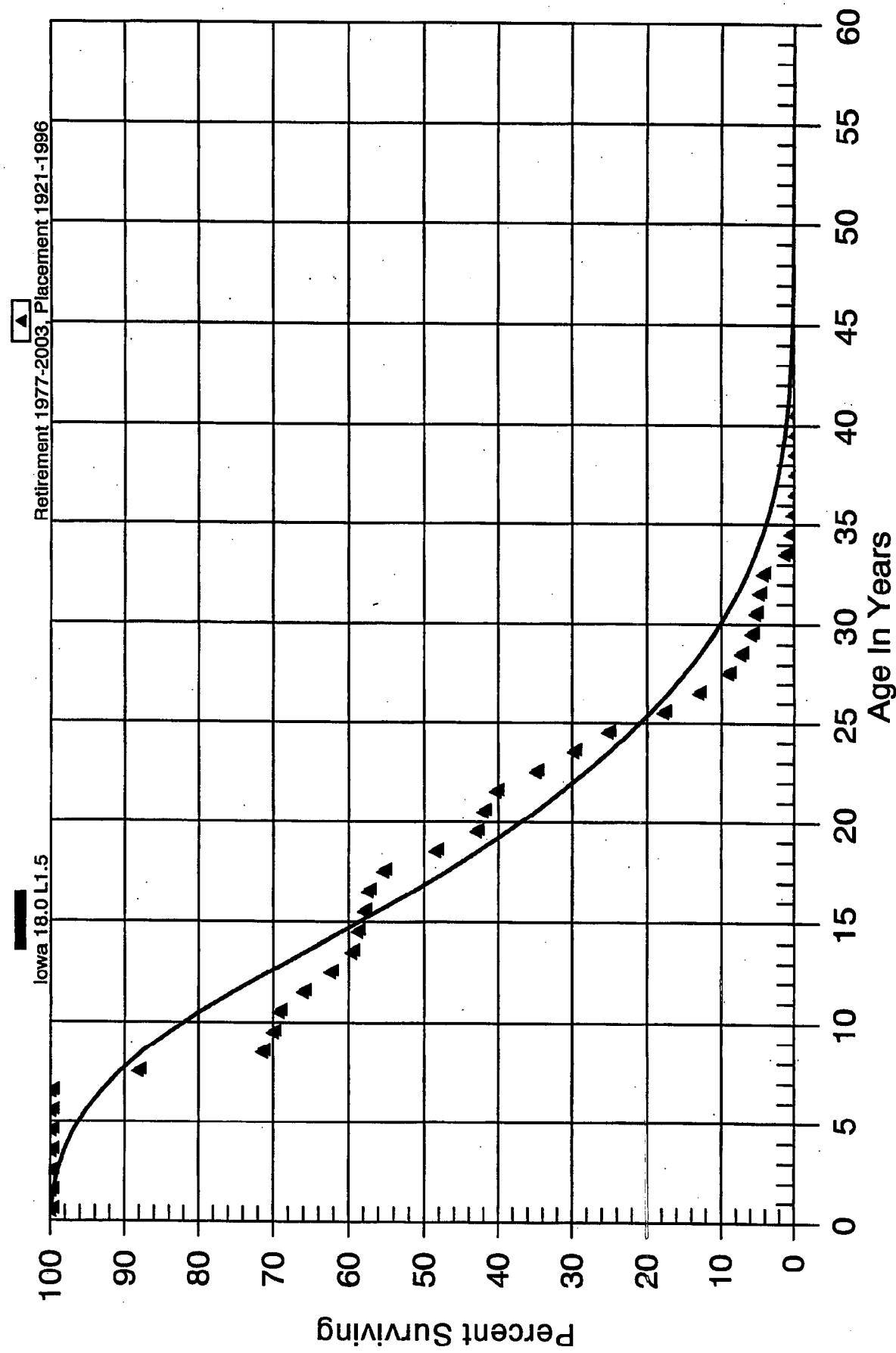


Bay State Gas Company
Total Company
397.20 METSCAN METER INTERFACE UNITS

Observed Life Table
Retirement Expr. 1992 TO 2004
Placement Years 1987 TO 2003

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$33,938,600.18	\$0.00	0.00000	100.00
0.5 - 1.5	\$40,840,188.54	\$0.00	0.00000	100.00
1.5 - 2.5	\$34,281,086.04	\$0.00	0.00000	100.00
2.5 - 3.5	\$30,291,400.79	\$0.00	0.00000	100.00
3.5 - 4.5	\$30,271,503.87	\$0.00	0.00000	100.00
4.5 - 5.5	\$30,010,854.22	\$260,524.87	0.00868	100.00
5.5 - 6.5	\$26,984,328.59	\$495,785.74	0.01837	99.13
6.5 - 7.5	\$25,304,258.59	\$250,141.60	0.00989	97.31
7.5 - 8.5	\$23,580,162.57	\$7,218,593.09	0.30613	96.35
8.5 - 9.5	\$16,361,569.48	\$11,792,365.03	0.72074	66.85
9.5 - 10.5	\$4,569,204.45	\$3,937,967.04	0.86185	18.67
10.5 - 11.5	\$631,237.41	\$12,500.00	0.01980	2.58
11.5 - 12.5	\$234,250.41	\$0.00	0.00000	2.53
12.5 - 13.5	\$0.00	\$0.00	0.00000	2.53
13.5 - 14.5	\$0.00	\$0.00	0.00000	2.53
14.5 - 15.5	\$0.00	\$0.00	0.00000	2.53
15.5 - 16.5	\$0.00	\$0.00	0.00000	2.53

Bay State Gas Company
Total Company
398.00 MISCELLANEOUS EQUIPMENT
Original And Smooth Survivor Curves



Bay State Gas Company

Total Company

398.00 MISCELLANEOUS EQUIPMENT

Observed Life Table

Retirement Expr. 1977 TO 2003

Placement Years 1921 TO 1996

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$30,997.45	\$0.00	0.00000	100.00
0.5 - 1.5	\$27,824.92	\$0.00	0.00000	100.00
1.5 - 2.5	\$35,378.27	\$0.00	0.00000	100.00
2.5 - 3.5	\$37,177.46	\$0.00	0.00000	100.00
3.5 - 4.5	\$37,441.11	\$0.00	0.00000	100.00
4.5 - 5.5	\$43,507.83	\$0.00	0.00000	100.00
5.5 - 6.5	\$49,806.76	\$0.00	0.00000	100.00
6.5 - 7.5	\$84,311.58	\$9,878.08	0.11716	100.00
7.5 - 8.5	\$67,745.92	\$12,806.39	0.18904	88.28
8.5 - 9.5	\$55,873.80	\$1,130.75	0.02024	71.60
9.5 - 10.5	\$57,630.24	\$650.75	0.01129	70.15
10.5 - 11.5	\$57,807.45	\$2,657.51	0.04597	69.35
11.5 - 12.5	\$59,405.58	\$3,242.30	0.05458	68.17
12.5 - 13.5	\$47,405.38	\$2,120.94	0.04474	62.55
13.5 - 14.5	\$42,713.09	\$590.45	0.01382	59.76
14.5 - 15.5	\$44,605.23	\$648.28	0.01453	58.93
15.5 - 16.5	\$47,666.62	\$479.50	0.01006	58.07
16.5 - 17.5	\$50,163.63	\$1,722.28	0.03433	57.49
17.5 - 18.5	\$52,786.10	\$6,575.28	0.12456	55.52
18.5 - 19.5	\$49,825.18	\$5,614.46	0.11268	48.60
19.5 - 20.5	\$48,456.28	\$1,088.34	0.02246	43.12
20.5 - 21.5	\$56,629.25	\$2,362.65	0.04172	42.16
21.5 - 22.5	\$57,502.63	\$7,645.96	0.13297	40.40
22.5 - 23.5	\$52,892.44	\$7,738.85	0.14631	35.02
23.5 - 24.5	\$46,364.75	\$7,107.56	0.15330	29.90
24.5 - 25.5	\$40,883.60	\$11,915.22	0.29144	25.32
25.5 - 26.5	\$29,589.39	\$7,861.85	0.26570	17.94
26.5 - 27.5	\$30,445.30	\$9,236.65	0.30339	13.17
27.5 - 28.5	\$23,506.66	\$4,343.34	0.18477	9.18
28.5 - 29.5	\$19,629.28	\$3,852.32	0.19625	7.48
29.5 - 30.5	\$16,648.96	\$1,559.66	0.09368	6.01
30.5 - 31.5	\$15,273.73	\$1,362.77	0.08922	5.45
31.5 - 32.5	\$13,910.96	\$1,479.18	0.10633	4.96
32.5 - 33.5	\$12,431.78	\$8,557.47	0.68835	4.44
33.5 - 34.5	\$3,874.31	\$2,233.14	0.57640	1.38
34.5 - 35.5	\$1,738.27	\$584.74	0.33639	0.59
35.5 - 36.5	\$1,153.53	\$908.13	0.78726	0.39

SECTION 6

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)

(305) OAK HILL WAY

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2014

1956	1,654.66	40.72	40.64	7.40	300.72
1966	98,005.44	38.63	2,536.74	7.66	19,440.81
1967	130,735.18	38.33	3,410.52	7.73	26,352.62
1968	3,207.50	38.01	84.39	7.80	658.33
1971	14,507.48	36.90	393.19	8.10	3,184.12
1972	2,850.73	36.47	78.16	8.22	642.41
1973	5,537.53	36.02	153.74	8.35	1,283.59
1974	685.00	35.54	19.28	8.49	163.65
1976	2,667.46	34.48	77.37	8.79	679.81
1984	19,540.50	28.92	675.57	9.86	6,658.50
1986	2,547.29	27.25	93.49	10.03	637.29
2000	35,833.44	13.98	2,563.58	10.48	26,860.90
Total	317,772.21	31.38	10,126.67	8.61	87,162.77

(305) MEADOW LANE

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2021

1975	4,349.24	38.01	114.42	12.15	1,389.88
1976	12,052.74	37.66	320.01	12.44	3,981.82
1977	10,076.19	37.29	270.19	12.75	3,445.40
Total	26,478.17	37.58	704.62	12.51	8,817.10

Bay State Gas Company
Total Company
305.00 STRUCTURES AND IMPROVEMENTS
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year <i>(1)</i>	Original Cost <i>(2)</i>	Avg. Service Life <i>(3)</i>	Avg. Annual Accrual <i>(4)</i>	Avg. Remaining Life <i>(5)</i>	Future Annual Accruals <i>(6)</i>
(305) GROVE STREET REGULATOR STATION					
<i>Interim Survivor Curve: Iowa 42 L3</i>					
<i>Probable Retirement Year: 2013</i>					
1953	6,566.74	40.97	160.27	6.84	1,096.11
1958	1,880.48	40.24	46.73	6.95	324.63
1978	2,782.17	32.63	85.25	8.38	714.02
Total	11,229.39	38.42	292.25	7.30	2,134.75
(305) EASTON LNG YARD					
<i>Interim Survivor Curve: Iowa 42 L3</i>					
<i>Probable Retirement Year: 2035</i>					
1973	18,228.22	41.19	442.53	14.80	6,550.21
1975	642.38	40.97	15.68	15.63	245.05
1985	8,958.43	39.18	228.66	21.32	4,874.53
1990	102,809.31	37.66	2,729.66	24.36	66,499.70
1997	3,631.59	34.48	105.34	27.98	2,947.42
1998	2,986.24	33.90	88.10	28.40	2,501.81
Total	137,256.17	38.02	3,609.97	23.16	83,818.71
(305) MARSHFIELD LNG PLANT					
<i>Interim Survivor Curve: Iowa 42 L3</i>					
<i>Probable Retirement Year: 2018</i>					
1973	32,289.46	37.66	857.31	10.40	8,916.48
1975	642.39	36.90	17.41	10.84	188.71
1988	59,645.48	28.92	2,062.10	13.64	28,124.68
1989	9,785.81	28.10	348.28	13.76	4,792.38

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
Total	102,363.14	31.16	3,285.10	12.79	42,022.24

(305) MARSTON STREET YARD - LAWRENCE

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2017

1970	6,961.43	38.33	181.60	9.45	1,715.44
1972	30,743.10	37.66	816.25	9.76	7,965.80
1973	29,938.27	37.29	802.73	9.94	7,977.68
1976	25,985.25	36.02	721.41	10.56	7,616.42
1977	6,245.43	35.54	175.75	10.78	1,894.58
1982	1,586.61	32.63	48.62	11.88	577.46
1985	937.67	30.50	30.74	12.41	381.57
1988	14,406.03	28.10	512.71	12.80	6,563.30
1989	18,765.23	27.25	688.70	12.90	8,885.14
1990	5,237.85	26.38	198.59	12.99	2,579.58
1992	9,096.73	24.58	370.12	13.13	4,861.00
1995	4,200.00	21.78	192.87	13.29	2,563.01
1997	21,843.00	19.86	1,089.75	13.36	14,562.37
1998	15,256.62	18.89	807.57	13.39	10,815.56
Total	191,001.22	28.78	6,637.41	11.90	78,958.92

(305) COMPR HOUSE & STORAGE ROOM - LAWRENCE

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2019

1930	43,190.51	42.00	1,028.41	5.32	5,476.09
1959	5,508.77	40.97	134.45	9.43	1,267.74
1961	1,532.08	40.72	37.63	9.50	357.55
1962	176.28	40.57	4.35	9.54	41.46

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1963	2,885.56	40.41	71.40	9.59	684.46
1970	174.73	38.92	4.49	10.26	46.08
1972	3,378.64	38.33	88.14	10.62	936.40
1973	643.47	38.01	16.93	10.83	183.38
1974	9,657.39	37.66	256.41	11.06	2,836.33
1975	672.87	37.29	18.04	11.30	203.96
1978	9,228.46	36.02	256.20	12.11	3,101.37
1982	787.32	33.90	22.64	13.20	298.79
1985	1,982.48	31.95	62.04	13.91	862.67
1987	1,200.00	30.50	39.35	14.29	562.15
Total	80,998.56	39.70	2,040.47	8.26	16,858.45

(305) SERVICE BUILDING - LAWRENCE

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2013

1963	1,719.39	39.18	43.89	7.03	308.50
1965	7,406.53	38.63	191.71	7.10	1,360.72
1967	146.65	38.01	3.86	7.20	27.78
1968	341.71	37.66	9.07	7.27	65.93
1970	306.00	36.90	8.29	7.43	61.62
1971	1,490.00	36.47	40.85	7.53	307.54
1972	2,441.04	36.02	67.77	7.63	517.32
1973	717.50	35.54	20.19	7.75	156.40
Total	14,568.82	37.78	385.63	7.28	2,805.81

(305) LNG STRUCTURE - LAWRENCE

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2034

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1971	16,583.84	41.29	401.68	14.00	5,623.57
1973	10,517.57	41.09	255.98	14.67	3,755.80
1976	9,043.20	40.72	222.11	15.94	3,541.00
1982	9,860.04	39.65	248.68	19.23	4,781.94
1984	10,087.61	39.18	257.48	20.44	5,263.15
1988	4,543.71	38.01	119.54	22.84	2,730.65
1989	113,980.42	37.66	3,026.26	23.42	70,879.86
1990	8,481.46	37.29	226.89	23.99	5,442.77
1991	15,373.87	36.90	416.67	24.54	10,224.76
1998	5,291.58	33.28	158.09	27.78	4,417.35
Total	203,743.30	38.20	5,334.28	21.87	116,660.85

(305) EAST LONGMEADOW - PROPANE AIR PLANT

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2012

1967	1,439.08	37.66	38.21	6.64	253.56
Total	1,439.08	37.66	38.21	6.64	253.56

(305) LUDLOW LNG PLANT

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2020

1974	21,600.44	38.01	568.29	11.48	6,523.94
1975	217,440.41	37.66	5,773.19	11.74	67,777.84
1976	9,649.70	37.29	258.75	12.02	3,109.66
1977	149,689.37	36.90	4,056.97	12.31	49,928.62
1979	14,550.55	36.02	403.96	12.91	5,214.74
1980	6,679.87	35.54	187.97	13.21	2,483.59
1982	96,594.57	34.48	2,801.86	13.81	38,683.82

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1987	20,634.09	31.24	660.45	15.04	9,935.52
1988	7,552.60	30.50	247.63	15.23	3,772.41
1989	5,851.33	29.73	196.84	15.40	3,032.28
1991	76,681.00	28.10	2,729.08	15.69	42,827.41
1993	8,998.00	26.38	341.15	15.92	5,430.58
1995	46,743.68	24.58	1,901.88	16.09	30,605.77
1996	52,473.84	23.66	2,218.22	16.16	35,853.20
Total	735,139.45	32.90	22,346.24	13.66	305,179.19

(305) NORTHAMPTON LPG PLANT

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2022

1958	4,613.56	41.37	111.51	10.21	1,138.82
1960	1,927.41	41.19	46.79	10.33	483.29
1962	602.81	40.97	14.71	10.43	153.45
1963	38,272.23	40.85	936.89	10.49	9,829.24
1964	1,381.55	40.72	33.44	10.56	353.09
1969	139.52	39.86	3.50	11.12	38.92
1971	15,126.35	39.42	383.70	11.49	4,410.32
1974	6,157.17	38.63	169.37	12.24	1,949.90
1977	28,356.59	37.66	752.89	13.17	9,913.82
1981	31,535.23	36.02	875.49	14.57	12,753.96
1990	3,123.08	30.50	102.40	17.14	1,755.52
1991	34,735.50	29.73	1,168.53	17.33	20,250.31
1995	981.66	26.38	37.22	17.89	665.91
Total	166,932.47	36.08	4,626.45	13.77	63,696.56

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

**And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique**

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)

(305) PAGE BOULEVARD - TEMPS EQUIP BUILDING

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2034

1989	8,616.82	37.66	228.78	23.42	5,358.46
1990	945.00	37.29	25.34	23.99	607.86
Total	9,561.82	37.63	254.12	23.48	5,966.32

(305) WEST SPRINGFIELD DISTR BLDG AND YARD

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2010

1981	1,268.40	38.92	32.59	5.25	171.27
1985	36,850.10	37.66	978.40	5.32	5,208.11
1980	5,230.00	28.92	180.81	6.14	1,109.61
2001	52,625.28	9.00	5,848.28	6.50	38,004.58
2002	1,625.21	8.00	203.17	6.50	1,320.46
Total	97,598.99	13.47	7,243.25	6.33	45,814.03

(305) WEST SPRINGFIELD - PROPANE AIR PLANT

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2044

1960	30,403.18	41.99	724.09	12.34	8,934.79
1972	41,520.18	41.81	983.02	15.12	15,016.98
1988	20,696.00	40.41	512.12	25.28	12,944.87
1996	2,860.70	38.63	74.05	31.15	2,306.36
1999	66,639.33	37.66	1,769.32	33.16	58,677.75
2003	11,250.00	36.02	312.33	35.52	11,093.84

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
Total	173,369.39	39.54	4,384.92	24.85	108,974.58

(305) METER STORAGE BUILDING - LAWRENCE

Interim Survivor Curve: Iowa 42 L3

Probable Retirement Year: 2014

1928	16,822.60	41.99	400.60	4.85	1,864.09
1961	474.42	39.86	11.90	7.49	89.12
1963	5,173.62	39.42	131.24	7.54	988.95
1965	989.00	38.92	25.41	7.61	193.45
1969	5,680.77	37.66	150.83	7.89	1,189.81
1973	314.30	36.02	8.73	8.35	72.85
Total	29,454.71	40.42	728.71	6.04	4,398.29
Account					
Total	2,298,906.89	31.91	72,038.30	13.51	973,322.15

Composite Average Remaining Life ... 13.51 Years

Bay State Gas Company

Total Company

311.00 LIQUEFIED PETROLEUM GAS EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 36 Survivor Curve: R2.5

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1960	51,525.73	36.00	1,431.26	5.82	8,326.23
1961	437,932.10	36.00	12,164.73	6.12	74,460.36
1962	51,145.72	36.00	1,420.71	6.44	9,154.00
1963	129,821.09	36.00	3,606.13	6.79	24,471.84
1964	1,308.04	36.00	36.33	7.15	259.78
1966	509,334.05	36.00	14,148.11	7.95	112,425.30
1967	125,920.21	36.00	3,497.77	8.38	29,313.49
1968	240,802.09	36.00	6,688.92	8.84	59,117.97
1969	37,163.17	36.00	1,032.31	9.32	9,622.59
1970	10,937.50	36.00	303.82	9.83	2,986.11
1971	253,748.63	36.00	7,048.54	10.36	73,016.59
1972	521,334.89	36.00	14,481.47	10.91	158,024.64
1973	50,688.48	36.00	1,408.01	11.49	16,172.60
1974	5,834.85	36.00	162.07	12.08	1,958.30
1975	350,767.36	36.00	9,743.50	12.70	123,736.64
1976	16,756.38	36.00	465.45	13.33	6,206.81
1977	14,628.05	36.00	406.33	13.99	5,683.57
1978	6,682.00	36.00	185.61	14.66	2,720.91
1979	7,273.24	36.00	202.03	15.35	3,100.71
1980	66,248.65	36.00	1,840.23	16.05	29,538.36
1981	290,153.53	36.00	8,059.79	16.77	135,155.01
1982	74,016.14	36.00	2,056.00	17.50	35,986.84
1983	6,848.48	36.00	190.23	18.25	3,472.10
1984	1,077.39	36.00	29.93	19.01	569.02
1985	34,807.55	36.00	966.87	19.79	19,132.82
1986	74,360.25	36.00	2,065.55	20.58	42,498.98
1988	399,192.84	36.00	11,088.65	22.19	246,036.99

Bay State Gas Company

Total Company

311.00 LIQUEFIED PETROLEUM GAS EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 36

Survivor Curve: R2.5

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1989	47,191.48	36.00	1,310.87	23.01	30,166.03
1990	22,300.49	36.00	619.46	23.85	14,772.43
1991	55,892.18	36.00	1,552.55	24.69	38,337.02
1992	29,877.43	36.00	829.93	25.55	21,204.28
1993	11,051.20	36.00	306.98	26.42	8,109.16
1995	105,144.04	36.00	2,920.86	28.18	82,294.43
1996	18,814.70	36.00	522.63	29.07	15,193.12
1997	1,407.71	36.00	39.10	29.97	1,172.01
1998	78,091.86	36.00	2,169.21	30.88	68,989.58
1999	17,736.52	36.00	492.68	31.80	15,666.23
2002	35,336.00	36.00	981.55	34.59	33,948.87
Total.	4,193,151.80	36.00	116,475.97	13.40	1,561,001.72

Composite Average Remaining Life ... 13.40 Years

Bay State Gas Company

Total Company

320.00 OTHER EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 20 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1981	64,671.68	20.00	3,233.59	2.00	6,473.36
1982	25,095.51	20.00	1,254.78	2.33	2,926.00
1984	11,638.21	20.00	581.91	3.18	1,851.55
1985	11,363.80	20.00	568.19	3.72	2,115.54
1986	53,470.82	20.00	2,673.54	4.34	11,610.64
1987	12,570.91	20.00	628.55	5.01	3,149.50
1988	148,715.04	20.00	7,435.76	5.72	42,508.59
1989	166,069.92	20.00	8,303.51	6.46	53,615.16
1990	7,257.44	20.00	362.87	7.24	2,626.22
1992	1,204.69	20.00	60.23	8.91	536.41
1993	38,817.79	20.00	1,940.89	9.79	18,997.56
1994	1,300.00	20.00	65.00	10.70	695.49
1995	67,762.84	20.00	3,388.15	11.63	39,416.10
1996	32,858.92	20.00	1,642.95	12.59	20,679.61
1997	2,844.55	20.00	142.23	13.55	1,927.76
1998	53,222.85	20.00	2,661.15	14.53	38,672.76
1999	17,527.98	20.00	876.40	15.52	13,600.38
2002	118,271.79	20.00	5,913.60	18.50	109,413.29
2003	372.75	20.00	18.64	19.50	363.44
Total	835,037.49	20.00	41,751.93	8.89	371,179.34

Composite Average Remaining Life... 8.89 Years

Bay State Gas Company
Total Company
321.00 LNG EQUIPMENT

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 27 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1971	118,504.19	27.00	4,389.01	2.07	9,085.89
1973	506,237.88	27.00	18,749.40	2.65	49,811.45
1975	1,994.51	27.00	73.87	3.33	246.02
1977	27,070.60	27.00	1,002.61	4.20	4,212.30
1978	1,617.00	27.00	59.89	4.73	282.99
1979	4,880.97	27.00	180.03	5.31	955.37
1980	9,597.48	27.00	355.46	5.94	2,111.53
1981	31,796.06	27.00	1,177.62	6.61	7,783.17
1982	51,272.36	27.00	1,898.96	7.30	13,868.38
1983	1,540,333.95	27.00	57,048.94	8.02	457,815.42
1984	18,300.82	27.00	677.80	8.77	5,947.02
1985	14,144.74	27.00	523.87	9.55	5,002.69
1986	9,998.15	27.00	370.30	10.35	3,834.37
1987	14,907.54	27.00	552.13	11.19	6,176.46
1988	3,431.79	27.00	127.10	12.04	1,530.77
1989	2,526.60	27.00	93.58	12.92	1,209.32
1990	19,169.60	27.00	709.98	13.83	9,815.60
1994	26,453.08	27.00	979.74	17.59	17,238.40
1995	120,149.86	27.00	4,449.96	18.57	82,620.06
1996	178,222.21	27.00	6,600.77	19.55	129,014.36
1997	408,520.22	27.00	15,130.25	20.53	310,628.74
1998	110,305.29	27.00	4,085.35	21.52	87,915.22
1999	12,817,782.38	27.00	474,728.77	22.51	10,687,190.02
2000	50,169.00	27.00	1,858.10	23.51	43,678.79
2002	344,133.86	27.00	12,745.59	25.50	325,037.26
2003	104,513.93	27.00	3,870.85	26.50	102,580.20

Bay State Gas Company

Total Company

321.00 LNG EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 27 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
Total	16,536,014.07	27.00	612,439.92	20.19	12,365,391.80

Composite Average Remaining Life ... 20.19 Years

Bay State Gas Company

Total Company

374.00 (365.00) RIGHTS OF WAY

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 75

Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1915	155.00	75.00	2.07	9.88	20.43
1931	222.29	75.00	2.96	16.34	48.44
1933	100.00	75.00	1.33	17.37	23.17
1940	258.45	75.00	3.45	21.36	73.60
1943	112.58	75.00	1.50	23.24	34.88
1945	5.91	75.00	0.08	24.55	1.93
1946	8.50	75.00	0.11	25.21	2.86
1947	3.03	75.00	0.04	25.89	1.05
1951	3,945.58	75.00	52.81	28.70	1,509.61
1952	353.00	75.00	4.71	29.42	138.46
1953	1,558.29	75.00	20.78	30.15	626.44
1954	57.00	75.00	0.76	30.89	23.48
1957	300.00	75.00	4.00	33.15	132.62
1958	1,505.00	75.00	20.07	33.92	680.72
1959	10.00	75.00	0.13	34.70	4.63
1960	10.10	75.00	0.13	35.49	4.78
1961	240.00	75.00	3.20	36.28	116.09
1963	1,200.00	75.00	16.00	37.88	606.15
1964	1,500.00	75.00	20.00	38.70	773.93
1965	27,911.80	75.00	372.16	39.52	14,706.98
1966	7,072.62	75.00	94.30	40.34	3,804.51
1968	4,017.51	75.00	53.57	42.02	2,250.73
1974	1,000.00	75.00	13.33	47.18	629.13
1979	584.71	75.00	7.80	51.65	402.65
1983	12,170.00	75.00	162.27	55.31	8,975.33
1993	14,750.00	75.00	196.67	64.76	12,736.66

Bay State Gas Company

Total Company

374.00 (365.00) RIGHTS OF WAY

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 75 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Total	79,051.37	75.00	1,054.02	45.85	48,329.24

Composite Average Remaining Life ... 45.85 Years

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
(366) ATTLEBORO					
Interim Survivor Curve: Iowa 54 L3					
Probable Retirement Year:	2022				
1977	8,489.39	41.96	202.32	16.30	3,297.82
Total	8,489.39	41.96	202.32	16.30	3,297.82
(366) WEST CHESTNUT STREET					
Interim Survivor Curve: Iowa 54 L3					
Probable Retirement Year:	2010				
1965	4,261.45	41.96	101.56	5.92	601.04
Total	4,261.45	41.96	101.56	5.92	601.04
(366) BELMONT STREET					
Interim Survivor Curve: Iowa 54 L3					
Probable Retirement Year:	2013				
1968	9,757.49	41.96	232.54	8.46	1,967.63
Total	9,757.49	41.96	232.54	8.46	1,967.63
(366) SERVICE AND DISTRIBUTION CENTER - BROCK					
Interim Survivor Curve: Iowa 54 L3					
Probable Retirement Year:	2013				
1968	714,158.33	41.96	17,019.80	8.46	144,012.62
1969	364,602.10	41.28	8,831.55	8.54	75,461.74
1976	6,465.37	35.89	180.16	9.04	1,628.84
1978	7,468.43	34.16	218.61	9.14	1,998.19
1981	90,467.82	31.47	2,874.78	9.25	26,598.09

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1985	6,492.40	27.73	234.15	9.35	2,189.29
1999	31,202.88	13.99	2,229.85	9.49	21,168.58
Total	1,220,857.33	38.65	31,588.90	8.64	273,057.36

(366) CANTON

Interim Survivor Curve: Iowa 54 L3
Probable Retirement Year: 2013

1957	13,974.64	47.73	292.80	7.69	2,250.27
1958	2,080.00	47.32	43.95	7.73	339.99
Total	16,054.64	47.67	336.76	7.69	2,590.26

(366) WEST MEDWAY

Interim Survivor Curve: Iowa 54 L3
Probable Retirement Year: 2015

1959	17,885.85	47.73	374.75	9.02	3,380.49
1970	13,349.09	41.96	318.14	10.16	3,232.16
Total	31,234.94	45.08	692.89	9.54	6,612.66

(366) WORCESTER STREET - TAUNTON

Interim Survivor Curve: Iowa 54 L3
Probable Retirement Year: 2013

1946	1,994.13	51.01	39.09	7.44	290.82
Total	1,994.13	51.01	39.09	7.44	290.82

Bay State Gas Company

Total Company

375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)

(366) WEST WATER STREET - TAUNTON

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2013

1953	7,431.56	49.15	151.20	7.54	1,140.23
Total	7,431.56	49.15	151.20	7.54	1,140.23

(366) REGULATOR BUILDING - TAUNTON

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2013

1961	3,225.00	45.97	70.15	7.91	555.20
Total	3,225.00	45.97	70.15	7.91	555.20

(366) PORTER STREET - TAUNTON

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2019

1972	5,254.56	43.24	121.53	13.26	1,611.63
1974	9,186.10	41.96	218.92	13.62	2,982.17
1977	570.00	39.86	14.30	14.11	201.80
Total	15,010.66	42.31	354.76	13.52	4,795.60

(366) SATELLITE BUILDING - TAUNTON

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2022

1977	96,367.16	41.96	2,296.62	16.30	37,435.18
1987	2,873.85	34.16	84.12	17.79	1,498.21

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
Total	99,241.01	41.68	2,380.74	16.35	38,931.39

(366) HANOVER - BR

Interim Survivor Curve: Iowa 54 L3
Probable Retirement Year: 2037

1992	7,405.00	41.96	176.48	30.50	5,381.85
1993	6,274.05	41.28	151.97	30.81	4,681.71
Total	13,679.05	41.65	328.45	30.64	10,063.55

(366) MARSTON STREET - LAWRENCE

Interim Survivor Curve: Iowa 54 L3
Probable Retirement Year: 2020

1975	135,301.75	41.96	3,224.51	14.51	46,778.88
1976	2,331.15	41.28	56.47	14.69	829.60
1978	12,750.08	39.86	319.90	15.03	4,808.08
1979	1,270.00	39.11	32.48	15.18	493.03
1980	1,121.66	38.33	29.26	15.32	448.28
1981	8,399.72	37.54	223.77	15.45	3,456.78
1982	9,377.76	36.72	255.38	15.56	3,974.69
1984	21,464.40	35.03	612.69	15.76	9,658.17
1985	5,173.89	34.16	151.45	15.85	2,400.18
1987	17,522.16	32.38	541.14	15.99	8,654.24
1988	25,982.28	31.47	825.64	16.05	13,255.21
1993	9,033.34	26.77	337.42	16.28	5,494.58
1997	4,439.38	22.90	193.88	16.40	3,179.24
Total	254,167.56	37.36	6,803.97	15.20	103,430.95

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
(366) JACKSON STREET - METHUEN					
<i>Interim Survivor Curve: Iowa</i>	<i>54 L3</i>				
<i>Probable Retirement Year:</i>	<i>2013</i>				
1951	6,758.30	49.76	135.83	7.50	1,018.20
1959	1,364.70	46.89	29.10	7.79	226.70
1964	343.06	44.41	7.73	8.14	62.85
1985	789.85	27.73	28.49	9.35	266.34
1998	2,038.79	14.99	136.01	9.49	1,290.74
Total	11,294.70	33.50	337.15	8.50	2,864.83
(366) OAK STREET - METHUEN					
<i>Interim Survivor Curve: Iowa</i>	<i>54 L3</i>				
<i>Probable Retirement Year:</i>	<i>2014</i>				
1951	23,265.48	50.04	464.98	8.09	3,759.97
1963	254.92	45.48	5.61	8.73	48.95
1968	422.06	42.81	9.90	9.21	91.22
1969	6,465.43	41.96	154.08	9.31	1,434.36
1973	1,012.00	39.11	25.88	9.68	250.58
1985	789.86	28.68	27.54	10.31	283.91
Total	32,209.75	46.82	688.00	8.53	5,868.99
(366) AGAWAM - GOVERNOR HOUSE					
<i>Interim Survivor Curve: Iowa</i>	<i>54 L3</i>				
<i>Probable Retirement Year:</i>	<i>2016</i>				
1955	287.75	49.46	5.82	9.32	54.23
1971	28,503.54	41.96	679.30	11.02	7,482.81
1977	2,218.02	37.54	59.09	11.70	691.24

Bay State Gas Company

Total Company

375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year <i>(1)</i>	Original Cost <i>(2)</i>	Avg. Service Life <i>(3)</i>	Avg. Annual Accrual <i>(4)</i>	Avg. Remaining Life <i>(5)</i>	Future Annual Accruals <i>(6)</i>
Total	31,009.31	41.67	744.20	11.06	8,228.28

(366) AGAWAM - STABILIZATION BUILDING

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2013

1956	1,037.41	48.11	21.56	7.64	164.76
Total	1,037.41	48.11	21.56	7.64	164.76

(366) EAST LONGMEADOW CITY GATE STATION

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2019

1954	7,243.74	50.55	143.30	10.73	1,537.14
1958	294.00	49.48	5.94	11.02	65.52
1974	2,968.31	41.96	70.74	13.62	963.63
1976	1,761.81	40.58	43.41	13.96	605.93
1990	994.00	28.68	34.68	15.22	527.51
Total	13,281.86	44.49	298.06	12.41	3,699.74

(366) NORTHAMPTON REGULATOR BUILDING

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2019

1931	3,200.00	53.57	59.74	9.63	575.24
1974	9,950.25	41.96	237.13	13.62	3,230.24
Total	13,150.25	44.30	296.87	12.82	3,805.48

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)

(366) NORTHAMPTON SERVICE BUILDING - SPRINGFI

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2019

1974	110,442.90	41.96	2,632.07	13.62	35,854.13
2000	8,225.69	18.96	433.80	15.46	6,707.40
Total	118,668.59	38.71	3,065.87	13.88	42,561.52

(366) NORTHAMPTON - MISCELLANEOUS STRUCTURES

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2023

1978	12,693.34	41.96	302.51	17.21	5,205.26
Total	12,693.34	41.96	302.51	17.21	5,205.26

(366) OLD HOLDER YARD - SPRINGFIELD

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2013

1925	2,925.50	53.57	54.61	6.80	371.39
Total	2,925.50	53.57	54.61	6.80	371.39

(366) GOVERNOR HOUSE - SPRINGFIELD

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2013

1957	2,644.97	47.73	55.42	7.69	425.91
Total	2,644.97	47.73	55.42	7.69	425.91

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year (1)	Original Cost (2)	Avg. Service Life (3)	Avg. Annual Accrual (4)	Avg. Remaining Life (5)	Future Annual Accruals (6)
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(366) AFTERCOOLER HOUSE - SPRINGFIELD

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2013

1945	3,970.83	51.22	77.52	7.43	576.11
1951	4,473.43	49.76	89.91	7.50	673.96
Total	8,444.26	50.44	167.43	7.47	1,250.08

(366) BLISS STREET M&R BUILDING - SPRINGFIELD

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2010

1965	9,975.44	41.96	237.73	5.92	1,406.96
Total	9,975.44	41.96	237.73	5.92	1,406.96

(366) UTILITY STORAGE BUILDING - SPRINGFIELD

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2017

1972	7,341.85	41.96	174.97	11.88	2,078.24
1986	14,561.45	30.55	476.68	13.17	6,279.14
Total	21,903.30	33.61	651.65	12.82	8,357.38

(366) MAIN OFFICE - SPRINGFIELD

Interim Survivor Curve: Iowa 54 L3

Probable Retirement Year: 2031

1986	85,888.37	41.96	2,048.89	24.67	50,503.76
1987	34,374.59	41.28	832.64	24.95	20,774.04
Total	16,096.29	39.86	403.86	25.45	10,278.34

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1990	7,630.00	39.11	195.11	25.67	5,009.21
Total	143,989.25	41.39	3,478.50	24.89	86,565.34
<i>Account Total</i>	<i>2,108,612.14</i>	<i>39.28</i>	<i>53,682.89</i>	<i>11.51</i>	<i>618,110.45</i>

Composite Average Remaining Life ... 11.51 Years

Bay State Gas Company

Total Company

375.70 (390.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)

(390) SERVICE CENTER - BELMONT STREET - BROCK

Interim Survivor Curve: Iowa 90 R1.5

Probable Retirement Year: 2048

2003	26,252.43	42.28	620.95	41.82	25,967.17
Total	26,252.43	42.28	620.95	41.82	25,967.17

(390) WESTBOROUGH OFFICE BUILDING

Interim Survivor Curve: Iowa 90 R1.5

Probable Retirement Year: 2048

2003	23,552.03	42.28	557.07	41.82	23,296.11
Total	23,552.03	42.28	557.07	41.82	23,296.11

ALL LOCATIONS

Interim Survivor Curve: Iowa 90 R1.5

Probable Retirement Year: 2039

1965	89,226.81	64.80	1,377.04	31.77	43,747.27
1966	16,054.76	64.11	250.41	31.88	7,977.12
1967	94,293.82	63.42	1,486.71	31.94	47,487.61
1968	593,618.99	62.73	9,463.52	32.03	303,072.98
1969	2,068,786.15	62.02	33,355.63	32.11	1,070,921.31
1970	691,692.56	61.31	11,281.96	32.18	363,108.88
1971	27,585.91	60.59	455.29	32.26	14,688.18
1972	107,258.37	59.86	1,791.74	32.34	57,936.80
1973	42,093.73	59.13	711.90	32.41	23,071.19
1974	22,475.88	58.39	384.95	32.48	12,502.27
1975	91,066.04	57.64	1,579.93	32.55	51,421.15
1976	44,220.06	56.88	777.37	32.61	25,352.19

Bay State Gas Company
Total Company
375.70 (390.00) STRUCTURES AND IMPROVEMENTS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1977	37,447.50	58.12	667.24	32.68	21,804.42
1978	60,412.71	55.36	1,091.37	32.74	35,733.07
1979	19,343.78	54.58	354.41	32.80	11,625.55
1980	7,330.55	53.80	136.26	32.86	4,477.68
1982	4,171.74	52.22	79.89	32.98	2,634.43
1983	7,991.49	51.42	155.41	33.03	5,133.51
1984	173,755.97	50.62	3,432.71	33.09	113,573.89
1985	79,998.67	49.81	1,606.15	33.14	53,224.81
1986	175,701.78	48.99	3,586.34	33.19	119,030.24
1987	85,607.69	48.17	1,777.17	33.24	59,072.70
1988	101,043.89	47.34	2,134.24	33.29	71,045.33
1989	45,237.83	46.51	972.60	33.34	32,422.32
1990	222,956.33	45.68	4,881.31	33.38	162,948.88
1991	327,691.84	44.83	7,309.08	33.43	244,324.20
1992	29,481.44	43.99	670.24	33.47	22,434.00
1993	126,496.82	43.13	2,932.60	33.51	98,285.93
1994	672,873.54	42.28	15,915.41	33.56	534,077.33
1995	231,789.73	41.42	5,598.51	33.60	188,039.03
1996	160,988.36	40.55	3,970.02	33.64	133,551.38
1997	90,276.14	39.68	2,275.07	33.68	76,623.60
1998	51,949.01	38.81	1,338.69	33.72	45,138.75
1999	28,561.87	37.93	753.08	33.76	25,421.49
2000	159,290.75	37.04	4,300.11	33.79	145,318.09
2001	46,563.10	36.16	1,287.84	33.83	43,568.51
2002	54,491.11	35.26	1,545.22	33.87	52,331.19
Total	6,889,826.72	52.32	131,685.40	32.83	4,323,125.25

Bay State Gas Company
Total Company
375.70 (390.00) STRUCTURES AND IMPROVEMENTS
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
<i>Account</i>					
<i>Total</i>	6,939,631.18	52.23	132,863.42	32.91	4,372,388.53

Composite Average Remaining Life ... 32.91 Years

Bay State Gas Company

Total Company

376.10 (367.10) CAST IRON MAINS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 75 Survivor Curve: R2

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1897	21,753.88	75.00	290.05	9.14	2,651.30
1900	11.45	75.00	0.15	10.04	1.53
1901	53,065.90	75.00	707.54	10.34	7,318.63
1902	4,002.32	75.00	53.36	10.65	568.10
1903	10,548.25	75.00	140.64	10.96	1,540.97
1904	13,356.38	75.00	178.08	11.27	2,007.34
1905	78,011.57	75.00	1,040.15	11.59	12,050.31
1906	50,301.25	75.00	670.68	11.91	7,985.97
1907	27,367.94	75.00	364.91	12.23	4,464.40
1908	18,801.78	75.00	250.69	12.56	3,149.15
1909	30,041.49	75.00	400.55	12.90	5,166.34
1910	544,298.25	75.00	7,257.30	13.24	96,085.72
1911	136,411.38	75.00	1,818.81	13.58	24,707.17
1912	100,440.22	75.00	1,339.20	13.94	18,664.20
1913	91,476.88	75.00	1,219.69	14.30	17,436.37
1914	170,084.52	75.00	2,267.79	14.66	33,243.60
1915	71,327.85	75.00	951.04	15.03	14,294.38
1916	162,895.92	75.00	2,171.94	15.41	33,465.98
1917	66,701.78	75.00	889.36	15.79	14,045.00
1918	47,883.94	75.00	638.45	16.18	10,332.69
1919	41,720.16	75.00	556.27	16.58	9,224.44
1920	53,216.42	75.00	709.55	16.99	12,054.42
1921	47,710.61	75.00	636.14	17.40	11,070.23
1922	65,046.30	75.00	867.28	17.82	15,457.46
1923	162,758.49	75.00	2,170.11	18.25	39,608.80
1924	148,339.15	75.00	1,977.85	18.69	36,962.22
1925	171,885.15	75.00	2,291.80	19.13	43,845.71

Bay State Gas Company

Total Company

376.10 (367.10) CAST IRON MAINS

Original Cost Of Utility Plant In Service

**And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 75 Survivor Curve: R2

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1926	151,004.23	75.00	2,013.39	19.58	39,430.93
1927	107,783.53	75.00	1,437.11	20.04	28,805.17
1928	63,816.52	75.00	850.89	20.51	17,452.27
1929	132,589.87	75.00	1,767.86	20.99	37,103.10
1930	61,345.25	75.00	817.94	21.47	17,561.62
1931	58,277.43	75.00	777.03	21.96	17,084.59
1932	46,604.66	75.00	621.39	22.46	13,957.90
1933	39,726.64	75.00	529.69	22.97	12,166.47
1934	33,263.35	75.00	443.51	23.48	10,415.17
1935	42,787.22	75.00	570.50	24.01	13,696.69
1936	40,963.48	75.00	546.18	24.54	13,402.70
1937	51,757.77	75.00	690.10	25.08	17,305.65
1938	49,875.71	75.00	665.01	25.63	17,041.20
1939	54,873.40	75.00	731.64	26.18	19,154.12
1940	49,719.56	75.00	662.93	26.74	17,727.11
1941	22,571.62	75.00	300.95	27.31	8,219.83
1942	8,966.35	75.00	119.55	27.89	3,334.22
1943	25,936.08	75.00	345.81	28.47	9,846.49
1944	14,472.20	75.00	192.96	29.07	6,809.01
1945	40,888.79	75.00	545.18	29.67	16,174.08
1946	75,364.60	75.00	1,004.86	30.27	30,420.45
1947	93,180.74	75.00	1,242.41	30.89	38,377.77
1948	144,647.63	75.00	1,928.63	31.51	60,773.04
1949	96,422.76	75.00	1,285.63	32.14	41,318.48
1950	72,173.68	75.00	962.31	32.78	31,541.17
1951	56,956.56	75.00	759.42	33.42	25,378.72
1952	36,130.39	75.00	481.74	34.07	16,411.38

Bay State Gas Company

Total Company

376.10 (367.10) CAST IRON MAINS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 75 Survivor Curve: R2

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1953	37,997.27	75.00	506.63	34.73	17,592.90
1954	59,486.25	75.00	793.15	35.39	28,067.90
1955	103,997.91	75.00	1,386.64	36.06	49,997.29
1956	88,942.46	75.00	1,159.23	36.73	42,583.97
1957	153,125.00	75.00	2,041.66	37.42	76,392.61
1958	105,048.62	75.00	1,400.65	38.10	53,371.38
1959	61,578.50	75.00	821.05	38.80	31,858.23
1960	111,488.24	75.00	1,486.48	39.50	58,720.69
1961	54,752.08	75.00	730.03	40.21	29,354.19
1962	33,932.09	75.00	452.43	40.93	18,515.72
1963	33,200.25	75.00	442.67	41.64	18,434.76
1964	33,636.01	75.00	448.48	42.37	19,001.70
1965	22,700.68	75.00	302.68	43.10	13,046.02
1966	34,752.82	75.00	463.37	43.84	20,313.73
1999	48,540.52	75.00	620.54	70.95	44,029.39
2000	279,718.65	75.00	3,729.57	71.85	267,955.64
2001	129,254.43	75.00	1,723.39	72.74	125,365.86
2002	208,084.33	75.00	2,774.45	73.64	204,320.86
2003	52,553.66	75.00	700.71	74.55	52,235.87
Total	5,710,347.02	75.00	76,137.81	29.27	2,228,250.33

Composite Average Remaining Life ... 29.27 Years

Bay State Gas Company

Total Company

376.20 (367.20) STEEL MAINS - COATED/WRAPPED

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1953	850,350.53	55.00	15,460.85	10.44	161,457.94
1954	705,508.55	55.00	12,827.37	11.05	141,778.43
1955	937,369.64	55.00	17,043.01	11.69	199,151.79
1956	1,280,150.53	55.00	23,275.36	12.34	287,145.09
1957	1,489,860.59	55.00	27,088.25	13.00	352,182.86
1958	1,234,680.36	55.00	22,448.63	13.68	307,179.04
1959	1,801,987.58	55.00	32,763.26	14.38	471,060.39
1960	1,516,063.06	55.00	27,584.66	15.08	415,782.77
1961	2,263,542.50	55.00	41,155.13	15.80	650,366.45
1962	2,984,529.21	55.00	54,263.92	16.53	897,241.94
1963	3,082,196.21	55.00	56,221.49	17.28	971,387.32
1964	2,953,878.56	55.00	53,706.64	18.04	968,761.51
1965	3,573,736.21	55.00	64,976.73	18.81	1,222,322.29
1966	3,242,417.84	55.00	58,952.78	19.60	1,155,407.42
1967	2,830,507.90	55.00	51,463.55	20.40	1,049,826.32
1968	4,301,701.54	55.00	78,212.40	21.21	1,658,935.92
1969	4,393,330.22	55.00	79,878.37	22.04	1,760,407.14
1970	2,944,427.40	55.00	53,534.80	22.88	1,224,825.73
1971	3,069,184.15	55.00	55,803.09	23.73	1,324,301.12
1972	3,893,480.82	55.00	70,790.24	24.60	1,741,159.55
1973	2,850,669.36	55.00	51,830.12	25.47	1,320,200.50
1974	2,094,713.91	55.00	38,085.53	26.36	1,003,806.78
1975	2,774,883.51	55.00	50,452.20	27.25	1,375,035.45
1976	3,000,475.42	55.00	54,553.85	28.16	1,536,312.75
1977	2,756,639.54	55.00	50,120.49	29.08	1,457,384.26
1978	3,560,694.20	55.00	64,739.60	30.00	1,942,337.33
1979	3,597,609.36	55.00	65,410.78	30.93	2,023,392.93

Bay State Gas Company

Total Company

376.20 (367.20) STEEL MAINS - COATED/WRAPPED

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1980	2,970,680.09	55.00	54,012.12	31.87	1,721,593.97
1981	2,813,616.33	55.00	51,156.43	32.82	1,679,028.92
1982	2,109,828.67	55.00	38,360.35	33.77	1,295,614.97
1983	2,506,199.93	55.00	45,567.06	34.73	1,582,719.29
1984	3,027,330.92	55.00	55,042.13	35.70	1,964,890.70
1985	2,179,382.93	55.00	39,624.96	36.67	1,452,893.72
1986	1,328,416.73	55.00	24,152.92	37.64	909,099.59
1987	1,163,785.34	55.00	21,159.64	38.62	817,104.65
1988	2,095,784.22	55.00	38,104.99	39.60	1,508,817.25
1989	1,571,242.68	55.00	28,567.92	40.58	1,159,266.73
1990	1,031,476.00	55.00	18,754.02	41.56	779,501.95
1991	995,668.27	55.00	18,102.98	42.55	770,326.64
1992	1,079,228.10	55.00	19,622.24	43.54	854,398.67
1993	21,625,442.48	55.00	393,188.07	44.53	17,510,192.44
1994	2,269,017.06	55.00	41,254.67	45.53	1,878,194.37
1995	4,738,348.04	55.00	86,151.39	46.52	4,007,848.33
1996	1,873,351.90	55.00	34,060.79	47.52	1,818,435.47
1997	2,526,732.11	55.00	45,940.37	48.51	2,228,670.33
1998	3,151,267.55	55.00	57,295.51	49.51	2,838,649.58
1999	2,858,147.72	55.00	51,966.09	50.51	2,624,629.21
2000	2,373,277.18	55.00	43,150.30	51.50	2,222,436.77
2001	3,743,484.37	55.00	68,063.04	52.50	3,573,506.18
2002	2,384,528.15	55.00	43,354.86	53.50	2,319,555.90
2003	1,508,899.31	55.00	27,434.41	54.50	1,495,193.22

Bay State Gas Company
Total Company
376.20 (367.20) STEEL MAINS - COATED/WRAPPED

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55 Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
<i>Total</i>	<i>143,919,724.78</i>	<i>55.00</i>	<i>2,616,710.35</i>	<i>33.03</i>	<i>86,429,719.89</i>

Composite Average Remaining Life ... 33.03 Years

Bay State Gas Company

Total Company

376.30 (367.30) STEEL MAINS - BARE

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
BARE STEEL MAINS					
Interim Survivor Curve: Iowa 74 R3					
Probable Retirement Year: 2018					
1900	1,048.40	74.00	14.17	5.27	74.70
1905	856.96	73.97	11.58	6.35	73.53
1910	4,719.17	73.89	63.87	7.28	464.71
1911	2,351.95	73.86	31.84	7.45	237.33
1912	40,783.04	73.83	552.42	7.63	4,214.72
1913	21,824.03	73.79	295.78	7.80	2,305.93
1914	6,167.33	73.74	83.64	7.97	666.45
1915	21,265.53	73.68	288.60	8.14	2,349.55
1916	90,320.08	73.62	1,226.80	8.31	10,191.68
1917	14,866.40	73.55	202.12	8.48	1,713.73
1918	1,944.18	73.47	26.46	8.65	228.90
1919	2,369.75	73.38	32.29	8.82	284.77
1920	22,890.44	73.28	312.37	8.99	2,808.01
1921	14,930.31	73.17	204.06	9.16	1,869.11
1922	11,674.76	73.04	159.84	9.33	1,491.35
1923	7,994.50	72.90	109.66	9.50	1,041.90
1924	26,118.43	72.75	359.02	9.67	3,472.23
1925	19,159.11	72.58	263.96	9.84	2,597.59
1926	111,573.24	72.40	1,541.10	10.01	15,424.42
1927	178,372.07	72.20	2,470.57	10.18	25,142.02
1928	173,703.64	71.98	2,413.17	10.34	24,955.85
1929	168,197.87	71.75	2,344.34	10.50	24,625.23
1930	111,174.38	71.49	1,555.04	10.67	16,586.85
1931	78,533.46	71.22	1,102.68	10.82	11,935.68
1932	14,259.82	70.93	201.04	10.98	2,207.19
1933	6,668.26	70.62	94.43	11.13	1,051.23

Bay State Gas Company

Total Company

376.30 (367.30) STEEL MAINS - BARE

Original Cost Of Utility Plant In Service

**And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique**

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1934	4,237.45	70.28	60.29	11.28	680.09
1935	8,474.20	69.93	121.18	11.42	1,384.31
1936	9,270.01	69.56	133.27	11.57	1,541.48
1937	9,936.16	69.16	143.66	11.70	1,681.17
1938	8,302.34	68.75	120.76	11.83	1,429.01
1939	8,095.98	68.31	118.51	11.96	1,417.80
1940	16,986.57	67.86	250.33	12.09	3,025.38
1941	26,925.69	67.38	399.61	12.21	4,877.38
1942	20,242.98	66.88	302.66	12.32	3,728.49
1943	8,390.15	66.36	126.42	12.43	1,571.10
1944	16,294.76	65.83	247.54	12.53	3,102.37
1945	41,642.08	65.27	638.00	12.63	8,059.38
1946	85,141.89	64.69	1,316.07	12.73	16,749.29
1947	38,815.84	64.10	574.36	12.82	7,362.59
1948	71,988.95	63.49	1,133.92	12.90	14,633.24
1949	159,140.35	62.86	2,531.81	12.99	32,879.08
1950	127,436.68	62.21	2,048.53	13.07	26,785.81
1951	382,466.09	61.54	6,214.42	13.14	81,655.94
1952	369,427.50	60.86	6,069.63	13.21	80,176.27
Total	2,564,982.88	66.60	38,511.84	11.70	450,734.78
Account					
Total	2,564,982.88	66.60	38,511.84	11.70	450,734.78

Composite Average Remaining Life ... 11.70 Years

Bay State Gas Company

Total Company

376.40 (367.40) PLASTIC MAINS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55

Survivor Curve: S2

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1971	8,282.95	55.00	114.24	25.78	2,944.68
1972	5,068.22	55.00	92.15	26.47	2,439.25
1974	1,915.46	55.00	34.83	27.90	971.79
1978	2,353.74	55.00	42.80	30.98	1,325.84
1979	305,758.01	55.00	5,559.24	31.78	176,685.73
1980	161,641.33	55.00	2,938.93	32.61	95,833.34
1981	107,203.03	55.00	1,949.15	33.45	65,198.00
1983	20,528.10	55.00	373.24	35.18	13,129.41
1984	506,358.73	55.00	9,206.52	36.06	332,008.04
1985	2,104,325.54	55.00	38,260.47	36.96	1,414,082.14
1986	3,684,093.89	55.00	66,983.53	37.87	2,536,795.40
1987	4,704,421.06	55.00	85,534.93	38.80	3,318,454.27
1988	5,534,645.19	55.00	100,629.92	39.73	3,998,249.02
1989	4,319,869.06	55.00	78,543.08	40.68	3,194,995.54
1990	5,433,127.61	55.00	98,784.15	41.63	4,112,619.65
1991	7,162,243.85	55.00	130,222.62	42.60	5,547,091.04
1992	6,162,260.46	55.00	112,041.11	43.57	4,881,511.52
1993	7,322,717.27	55.00	133,140.32	44.55	5,931,037.58
1994	9,710,585.02	55.00	176,555.74	45.53	8,038,766.05
1995	5,702,406.21	55.00	103,680.12	46.52	4,823,129.26
1996	7,765,135.69	55.00	141,184.30	47.51	6,707,792.48
1997	5,493,272.94	55.00	99,877.70	48.51	4,844,655.50
1998	7,645,608.47	55.00	139,011.07	49.50	6,881,443.47
1999	6,435,718.93	55.00	117,013.08	50.50	5,909,298.50
2000	6,999,892.49	55.00	127,270.78	51.50	6,554,494.65
2001	6,871,461.68	55.00	124,935.68	52.50	6,559,128.95
2002	6,660,651.92	55.00	121,102.77	53.50	6,478,997.87

Bay State Gas Company
Total Company
376.40 (367.40) PLASTIC MAINS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55 Survivor Curve: S2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2003	5,749,688.49	55.00	104,539.80	54.50	5,697,418.53
<i>Total</i>	<i>116,579,215.34</i>	<i>55.00</i>	<i>2,119,622.25</i>	<i>46.29</i>	<i>98,120,497.32</i>

Composite Average Remaining Life ... 46.29 Years

Bay State Gas Company

Total Company

376.50 (367.50) JOINT SEALS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 23 Survivor Curve: R5

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1964	0.01	0.00	0.00	0.00	0.00
1973	895.03	23.00	38.92	0.50	19.47
1976	468.00	23.00	20.35	1.02	20.73
1977	5,031.80	23.00	218.78	1.20	261.58
1978	1,268.07	23.00	55.14	1.43	78.81
1980	505,075.07	23.00	21,960.72	2.09	45,914.34
1981	239,559.62	23.00	10,416.08	2.53	26,378.69
1982	202,064.58	23.00	8,785.79	3.05	26,836.03
1983	660,972.67	23.00	28,739.17	3.66	105,058.08
1984	800,891.73	23.00	34,822.86	4.33	150,931.77
1985	585,258.18	23.00	25,447.09	5.09	129,426.51
1986	848,627.90	23.00	36,898.44	5.80	217,563.19
1987	1,396,729.53	23.00	60,729.96	6.75	410,228.00
1988	1,314,899.43	23.00	57,171.98	7.65	437,601.49
1989	1,446,149.96	23.00	62,878.76	8.58	539,777.29
1990	1,098,995.90	23.00	47,784.47	9.54	455,892.40
1991	1,107,021.25	23.00	48,133.41	10.52	506,204.64
1992	463,067.39	23.00	20,134.22	11.51	231,644.95
1993	561,561.17	23.00	24,416.74	12.50	305,221.55
1994	561,942.46	23.00	24,433.32	13.50	329,832.02
1995	525,756.88	23.00	22,859.97	14.50	331,447.54
1996	682,082.12	23.00	29,657.01	15.50	459,854.62
1997	636,890.53	23.00	27,692.07	16.50	456,892.06
1998	770,910.89	23.00	33,519.29	17.50	586,554.78
1999	1,150,711.91	23.00	50,033.08	18.50	925,563.03
2000	886,526.02	23.00	38,546.25	19.50	751,614.14
2001	863,674.39	23.00	37,552.66	20.50	769,782.74

Bay State Gas Company
Total Company
376.50 (367.50) JOINT SEALS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 23 Survivor Curve: R5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	1,047,471.29	23.00	45,544.17	21.50	979,155.04
2003	1,216,090.26	23.00	52,875.74	22.50	1,189,652.39
<i>Total</i>	<i>19,580,594.04</i>	<i>22.21</i>	<i>851,366.44</i>	<i>12.18</i>	<i>10,369,217.90</i>

Composite Average Remaining Life ... 12.18 Years

Bay State Gas Company

Total Company

376.60 (367.60) CATHODIC PROTECTION

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 19

Survivor Curve: S5

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1976	5,469.69	19.00	287.87	0.56	162.40
1985	90,305.56	19.00	4,752.87	2.02	9,608.50
1986	110,258.71	19.00	5,803.02	2.49	14,425.12
1989	93,390.12	19.00	4,915.21	4.62	22,709.49
1990	694,876.20	19.00	36,571.98	5.54	202,603.02
1991	445,647.18	19.00	23,454.83	6.51	152,690.67
1992	766,014.09	19.00	40,316.04	7.50	302,446.41
1993	649,390.32	19.00	34,178.02	8.50	290,528.26
1994	807,787.02	19.00	42,514.58	9.50	403,899.05
1995	680,090.02	19.00	35,793.77	10.50	375,843.00
1996	127.31	19.00	6.70	11.50	77.06
1997	463,401.54	19.00	24,389.26	12.50	304,871.38
1998	569,597.37	19.00	29,978.44	13.50	404,715.94
1999	322,244.53	19.00	16,960.03	14.50	245,924.39
2000	379,322.24	19.00	19,964.08	15.50	309,447.95
2001	254,219.52	19.00	13,379.81	16.50	220,769.99
2002	579,529.80	19.00	30,501.19	17.50	533,778.01
2003	469,805.22	19.00	24,726.29	18.50	457,442.08
Total	7,381,476.44	19.00	388,494.00	10.94	4,251,942.71

Composite Average Remaining Life ... 10.94 Years

Bay State Gas Company
Total Company
378.00 (369.00) MEAS AND REG STATION EQUIPMENT

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 39 Survivor Curve: R4

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1951	22,662.67	39.00	581.09	1.56	804.47
1953	16,481.53	39.00	422.60	2.03	858.75
1956	3,837.27	39.00	98.39	2.82	277.53
1957	5,582.93	39.00	143.15	3.09	442.42
1958	3,175.00	39.00	81.41	3.38	274.92
1959	41,619.47	39.00	1,067.16	3.67	3,915.16
1960	15,905.56	39.00	407.83	3.98	1,624.38
1961	6,288.11	39.00	161.23	4.31	695.46
1962	17,552.58	39.00	450.06	4.67	2,102.78
1963	54,514.83	39.00	1,397.81	5.08	7,075.52
1964	47,822.44	39.00	1,226.21	5.49	6,728.93
1965	77,703.64	39.00	1,992.39	5.95	11,855.81
1966	15,803.35	39.00	405.21	6.46	2,616.89
1967	17,839.16	39.00	457.41	7.00	3,203.58
1968	32,083.87	39.00	822.66	7.59	6,247.45
1969	102,540.00	39.00	2,629.21	8.22	21,607.58
1970	25,463.52	39.00	652.91	8.87	5,790.71
1971	54,134.29	39.00	1,388.05	9.54	13,247.07
1972	147,529.92	39.00	3,782.79	10.23	38,713.24
1973	137,049.43	39.00	3,514.06	10.94	38,458.46
1974	52,105.72	39.00	1,336.03	11.67	15,591.94
1975	129,879.06	39.00	3,330.21	12.42	41,355.75
1976	33,846.36	39.00	867.85	13.18	11,440.67
1977	70,750.08	39.00	1,814.09	13.97	25,342.73
1978	122,335.65	39.00	3,136.79	14.78	46,346.91
1979	22,857.13	39.00	586.08	15.60	9,141.54
1980	89,534.42	39.00	2,295.74	16.44	37,742.45

Bay State Gas Company
Total Company
378.00 (369.00) MEAS AND REG STATION EQUIPMENT

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 39 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1981	104,792.18	39.00	2,686.96	17.30	46,479.25
1982	193,160.58	39.00	4,952.80	18.17	90,013.10
1983	249,645.35	39.00	6,401.12	19.06	122,028.69
1984	108,835.64	39.00	2,790.64	19.97	55,727.09
1985	228,210.61	39.00	5,851.51	20.89	122,222.33
1986	82,994.48	39.00	2,128.05	21.82	46,426.42
1987	212,901.83	39.00	5,458.98	22.76	124,229.86
1988	163,238.24	39.00	4,185.57	23.71	99,223.81
1989	165,015.63	39.00	4,231.14	24.66	104,359.19
1990	310,959.56	39.00	7,973.26	25.63	204,350.33
1991	340,899.87	39.00	8,735.83	26.60	232,385.11
1992	638,578.67	39.00	16,373.69	27.58	451,580.47
1993	1,502,819.38	39.00	38,533.55	28.56	1,100,509.79
1994	75,769.24	39.00	1,942.79	29.55	57,399.98
1995	1,040,104.60	39.00	26,669.15	30.53	814,302.38
1996	612,609.72	39.00	15,707.83	31.52	495,182.73
1997	432,026.34	39.00	11,077.52	32.52	360,214.00
1998	692,597.77	39.00	17,758.79	33.51	595,139.42
1999	442,524.79	39.00	11,346.71	34.51	391,556.34
2000	986,112.91	39.00	25,284.76	35.51	897,748.10
2001	520,810.96	39.00	13,354.03	36.50	487,467.10
2002	308,332.47	39.00	7,805.90	37.50	296,485.64
2003	496,280.56	39.00	12,725.05	38.50	489,923.47
Total	11,275,919.37	39.00	289,124.02	27.80	8,038,537.68

Composite Average Remaining Life ... 27.80 Years

Bay State Gas Company

Total Company

379.00 (379.00) OTHER EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 35 Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1990	493,459.06	35.00	14,098.82	22.25	313,752.41
1991	6,073.57	35.00	173.53	23.14	4,015.90
1992	10,718.97	35.00	306.26	24.04	7,363.11
Total	510,251.60	35.00	14,578.61	22.30	325,131.41

Composite Average Remaining Life ... 22.30 Years

Bay State Gas Company

Total Company

380.20 STEEL SERVICES - COATED AND WRAPPED

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 56 *Survivor Curve: R3*

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1953	104,187.81	56.00	1,860.49	14.14	26,306.57
1954	140,838.90	56.00	2,514.98	14.71	36,995.10
1955	174,394.82	56.00	3,114.19	15.29	47,626.42
1956	234,400.13	56.00	4,185.72	15.90	66,535.74
1957	247,276.83	56.00	4,415.66	16.51	72,916.40
1958	357,327.98	56.00	6,380.85	17.14	109,397.55
1959	548,933.60	56.00	9,802.38	17.79	174,384.17
1960	512,538.80	56.00	9,152.48	18.45	168,833.89
1961	683,300.85	56.00	11,844.65	19.12	226,468.37
1962	771,935.24	56.00	13,784.55	19.81	273,008.39
1963	873,869.10	56.00	15,604.80	20.50	319,944.01
1964	902,236.37	56.00	16,111.36	21.21	341,715.91
1965	1,005,481.79	56.00	17,955.03	21.93	393,779.90
1966	1,142,826.24	56.00	20,407.60	22.66	462,521.00
1967	1,153,994.05	56.00	20,607.03	23.41	482,357.35
1968	1,426,114.44	56.00	25,466.32	24.16	615,291.65
1969	1,830,771.65	56.00	32,692.34	24.92	814,784.90
1970	1,523,960.01	56.00	27,213.56	25.70	699,318.14
1971	1,514,849.26	56.00	27,047.30	26.48	716,254.52
1972	1,593,283.45	56.00	28,451.48	27.28	776,015.83
1973	2,146,389.32	56.00	38,328.37	28.08	1,076,175.07
1974	1,198,661.85	56.00	21,404.67	28.89	618,342.49
1975	737,709.68	56.00	13,173.38	29.71	391,376.08
1976	1,247,823.80	56.00	22,282.56	30.54	680,508.60
1977	1,204,295.42	56.00	21,505.27	31.38	674,806.53
1978	1,925,807.66	56.00	34,389.41	32.22	1,108,165.00
1979	4,116,735.79	56.00	73,513.11	33.08	2,431,822.23

Bay State Gas Company

Total Company

380.20 STEEL SERVICES - COATED AND WRAPPED

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 56 Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1980	1,846,153.21	56.00	32,967.01	33.94	1,119,036.92
1981	1,730,755.83	56.00	30,906.34	34.82	1,076,033.51
1982	1,230,339.63	56.00	21,970.34	35.70	784,238.62
1983	2,108,483.29	56.00	37,651.47	36.58	1,377,325.55
1984	720,261.16	56.00	12,881.80	37.48	482,003.79
1985	208,909.63	56.00	3,694.81	38.38	141,796.55
1986	828,927.53	56.00	14,802.27	39.29	581,513.92
1987	109,184.47	56.00	1,949.72	40.20	78,379.15
1988	137,975.21	56.00	2,463.84	41.12	101,313.98
1989	871,701.19	56.00	15,566.09	42.05	654,519.15
1990	1,903,617.98	56.00	33,993.17	42.98	1,461,054.82
1991	380,549.98	56.00	6,795.53	43.92	298,455.02
1992	2,054,089.68	56.00	36,680.16	44.86	1,645,545.15
1993	1,519,530.25	56.00	27,134.46	45.81	1,243,053.87
1994	2,359,590.83	56.00	42,135.54	46.76	1,970,440.02
1995	1,892,739.28	56.00	33,798.90	47.72	1,612,952.12
1996	2,213,946.48	56.00	39,534.75	48.68	1,924,698.92
1997	2,056,678.11	56.00	36,726.38	49.65	1,823,416.24
1998	2,378,997.91	56.00	42,482.09	50.62	2,150,356.40
Total	55,850,176.27	56.00	997,324.24	34.42	34,331,787.63

Composite Average Remaining Life ... 34.42 Years

Bay State Gas Company
Account 380.3 - Bare Steel Services

**Summary of Original Cost of Utility Plant in Service as of December 31, 2003 And Weighting Of
 Average Remaining Life of Bare Steel Services Replaced with Accelerated Bare Steel Program
 And Residual Services Replaced During Normal Life**

<u>Account No. (a)</u>	<u>Description (b)</u>	<u>Original Cost 12/31/03 (c)</u>	<u>Quantity of Services 12/31/03 (d)</u>	<u>% of Services (e)</u>	<u>ARL (Yrs) (f)</u>	<u>Weight (g)</u>
6-46 380.3	<u>Bare Steel Services</u>					
	Replaced w/ Bare Steel Program	543,808	30,303	48.77%	7.72	3.77
	Normal Replacements		<u>31,832</u>	51.23%	8.76	4.49
	Total Bare Steel Services	543,808	62,135	100.00%	8.25	8.25

Bay State Gas Company

Total Company

380.30 STEEL SERVICES - BARE

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)

BARE STEEL SERVICES

Interim Survivor Curve: Iowa 60 R4

Probable Retirement Year: 2018

1917	2,447.13	60.00	40.79	1.09	44.49
1918	1,289.22	60.00	21.49	1.33	28.57
1919	4,173.32	60.00	69.56	1.49	103.90
1920	3,711.25	60.00	61.85	1.70	105.22
1921	11,242.00	60.00	187.37	1.93	361.46
1922	17,127.71	60.00	285.46	2.18	621.52
1923	19,145.67	60.00	319.09	2.40	767.39
1924	27,092.33	60.00	451.54	2.67	1,204.79
1925	18,564.27	0.00	0.00	0.00	0.00
1926	7,584.15	60.00	126.40	3.15	397.80
1927	7,328.77	60.00	122.15	3.40	415.80
1928	6,478.53	60.00	107.98	3.67	396.57
1929	22,672.91	60.00	377.88	3.93	1,485.42
1930	6,731.59	60.00	112.19	4.21	472.13
1931	5,238.28	60.00	87.31	4.47	389.99
1932	7,572.17	60.00	126.21	4.73	597.29
1933	2,464.17	60.00	41.07	5.00	205.49
1934	259.31	59.99	4.32	5.28	22.82
1935	6,356.93	59.98	105.98	5.55	588.13
1936	3,925.95	59.97	65.46	5.83	381.84
1937	12,762.27	59.95	212.87	6.10	1,299.63
1938	7,324.77	59.93	122.22	6.39	780.61
1939	2,464.88	59.90	41.15	6.68	274.71
1942	10,227.56	59.73	171.22	7.58	1,298.10
1943	11,637.56	59.65	195.11	7.90	1,640.80
1944	4,311.67	59.55	72.41	8.22	595.43

Bay State Gas Company

Total Company

380.30 STEEL SERVICES - BARE

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1945	7,347.01	59.42	123.64	8.56	1,057.74
1946	16,592.89	59.28	279.91	8.89	2,488.34
1947	30,967.79	59.11	523.91	9.23	4,836.10
1948	34,985.67	58.91	593.86	9.57	5,680.97
1949	45,520.26	58.69	775.64	9.91	7,683.50
1950	39,002.88	58.43	667.50	10.24	6,833.37
1951	68,449.50	58.14	1,177.26	10.56	12,427.73
1952	70,807.77	57.82	1,224.61	10.86	13,298.19
Total	543,808.14	61.13	8,895.40	7.72	68,685.53
Account Total	543,808.14	61.13	8,895.40	7.72	68,685.53

Composite Average Remaining Life ... 7.72 Years

Bay State Gas Company
Total Company
380.30 STEEL SERVICES - BARE

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 60 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1917	2,447.13	60.00	40.79	1.09	44.49
1918	1,289.22	60.00	21.49	1.33	28.57
1919	4,173.32	60.00	69.56	1.49	103.90
1920	3,711.25	60.00	61.85	1.70	105.22
1921	11,242.00	60.00	187.37	1.93	361.46
1922	17,127.71	60.00	285.48	2.18	621.52
1923	19,145.67	60.00	319.09	2.40	767.39
1924	27,092.33	60.00	451.54	2.67	1,204.79
1925	18,584.27	60.00	309.40	2.90	897.28
1926	7,584.15	60.00	126.40	3.15	397.80
1927	7,328.77	60.00	122.15	3.40	415.80
1928	6,478.53	60.00	107.98	3.67	396.58
1929	22,672.91	60.00	377.88	3.93	1,485.87
1930	6,731.59	60.00	112.19	4.21	472.39
1931	5,238.28	60.00	87.30	4.47	390.52
1932	7,572.17	60.00	126.20	4.75	598.92
1933	2,464.17	60.00	41.07	5.03	206.49
1934	259.31	60.00	4.32	5.32	23.00
1935	6,356.93	60.00	105.95	5.62	595.14
1936	3,925.95	60.00	65.43	5.93	388.10
1937	12,762.27	60.00	212.70	6.25	1,329.19
1938	7,324.77	60.00	122.08	6.58	803.76
1939	2,464.88	60.00	41.08	6.94	284.97
1942	10,227.56	60.00	170.46	8.12	1,383.46
1943	11,637.56	60.00	193.96	8.55	1,659.12
1944	4,311.67	60.00	71.86	9.02	648.21
1945	7,347.01	60.00	122.45	9.51	1,164.84

Bay State Gas Company

Total Company

380.30 STEEL SERVICES - BARE

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 60 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1946	16,592.89	60.00	276.55	10.03	2,773.71
1947	30,987.79	60.00	516.13	10.58	5,459.76
1948	34,985.67	60.00	583.09	11.15	6,499.48
1949	45,520.26	60.00	758.67	11.75	8,912.93
1950	39,002.88	60.00	650.05	12.37	8,041.48
1951	68,449.50	60.00	1,140.82	13.01	14,843.80
1952	70,807.77	60.00	1,180.13	13.87	16,128.59
Total	543,808.14	60.00	9,063.44	8.76	79,438.33

Composite Average Remaining Life ... 8.76 Years

Bay State Gas Company

Total Company

380.40 PLASTIC SERVICES

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55 Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1971	249,102.48	55.00	4,529.13	25.55	115,732.49
1972	277,906.95	55.00	5,052.85	26.34	133,095.86
1973	290,909.73	55.00	5,289.27	27.14	143,540.80
1974	318,893.28	55.00	5,798.08	27.94	162,017.51
1975	353,058.63	55.00	6,419.25	28.76	184,618.62
1976	385,058.70	55.00	7,001.07	29.59	207,132.72
1977	446,100.15	55.00	8,110.91	30.42	246,737.03
1978	542,452.98	55.00	9,862.78	31.26	308,345.20
1979	795,902.58	55.00	14,470.95	32.11	464,713.24
1980	1,146,448.80	55.00	20,844.52	32.97	687,329.62
1981	972,168.98	55.00	17,675.79	33.84	598,197.54
1982	1,377,694.38	55.00	25,048.98	34.72	869,681.30
1983	1,239,650.74	55.00	22,539.10	35.60	802,467.18
1984	3,800,064.89	55.00	69,092.07	36.49	2,521,507.10
1985	5,558,511.81	55.00	101,063.82	37.39	3,779,041.54
1986	6,763,897.39	55.00	122,979.91	38.30	4,709,995.94
1987	8,319,936.12	55.00	151,271.52	39.21	5,931,635.64
1988	8,722,543.47	55.00	158,591.65	40.13	6,384,472.43
1989	7,868,331.88	55.00	143,060.53	41.06	5,873,592.78
1990	8,114,492.44	55.00	147,536.18	41.99	6,194,616.66
1991	9,423,133.31	55.00	171,329.64	42.92	7,354,247.98
1992	6,088,090.62	55.00	110,692.52	43.87	4,855,779.05
1993	4,461,955.16	55.00	81,126.43	44.81	3,635,680.01
1994	7,015,503.88	55.00	127,554.58	45.77	5,837,844.38
1995	5,639,795.45	55.00	102,541.70	46.72	4,791,189.35
1996	6,601,545.59	55.00	120,028.06	47.68	5,723,517.26
1997	6,130,424.09	55.00	111,462.22	48.65	5,422,643.71

Bay State Gas Company

Total Company

380.40 PLASTIC SERVICES

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55 Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1998	7,098,134.83	55.00	129,056.98	49.62	6,403,658.92
1999	8,528,507.31	55.00	155,063.72	50.59	7,844,825.19
2000	10,189,215.37	55.00	185,440.22	51.57	9,562,440.60
2001	10,760,871.51	55.00	195,652.15	52.54	10,280,298.04
2002	10,956,689.67	55.00	199,194.30	53.52	10,661,782.90
2003	10,025,573.18	55.00	182,283.09	54.51	9,935,823.90
Total	160,471,566.31	55.00	2,917,663.93	45.45	132,608,202.49

Composite Average Remaining Life ... 45.45 Years

Bay State Gas Company

Total Company

380.50 COPPER SERVICES

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 55

Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1957	4,804.80	55.00	87.36	15.70	1,371.83
1958	5,794.80	55.00	105.36	16.32	1,719.81
1959	7,326.36	55.00	133.21	16.96	2,258.87
1960	8,469.60	55.00	153.99	17.61	2,711.22
1961	9,475.84	55.00	172.29	18.27	3,147.40
1962	11,516.16	55.00	209.38	18.94	3,986.48
1963	13,093.12	55.00	238.06	19.63	4,872.92
1964	14,240.16	55.00	258.91	20.33	5,263.89
1965	17,930.88	55.00	326.02	21.04	6,880.67
1966	19,625.90	55.00	356.83	21.77	7,767.78
1967	24,637.69	55.00	447.96	22.50	10,080.97
1968	30,829.28	55.00	560.53	23.25	13,031.58
Total	167,744.59	55.00	3,049.90	20.61	62,853.42

Composite Average Remaining Life ... 20.61 Years

Bay State Gas Company

Total Company

381.00 GAS METERS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 28 Survivor Curve: S6

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1976	278,499.29	28.00	9,946.69	1.91	18,991.82
1977	219,585.14	28.00	7,842.55	2.38	18,845.77
1978	270,559.38	28.00	9,663.11	2.99	28,847.06
1979	653,214.21	28.00	23,329.75	3.73	88,971.83
1980	1,419,869.73	28.00	50,711.10	4.59	232,551.42
1981	378,605.56	28.00	13,522.02	5.53	74,719.95
1982	953,299.51	28.00	34,047.40	6.50	221,478.02
1983	455,780.50	28.00	16,278.35	7.50	122,091.26
1984	934,042.50	28.00	33,359.63	8.50	283,533.21
1985	1,527,837.28	28.00	54,570.77	9.50	518,378.66
1986	497,485.67	28.00	17,767.86	10.50	188,548.14
1987	1,101,184.59	28.00	39,329.16	11.50	452,253.46
1988	1,556,141.35	28.00	55,578.09	12.50	694,681.02
1989	1,169,000.97	28.00	41,751.24	13.50	563,607.94
1990	1,228,639.77	28.00	43,881.26	14.50	636,242.73
1991	1,070,013.19	28.00	38,215.86	15.50	592,314.90
1992	455,444.44	28.00	16,266.34	16.50	268,381.49
1993	774,118.07	28.00	27,847.87	17.50	483,815.39
1994	897,154.14	28.00	32,042.15	18.50	592,763.74
1995	1,415,096.04	28.00	50,540.61	19.50	985,500.88
1996	1,183,687.94	28.00	42,275.79	20.50	886,619.49
1997	1,969,240.03	28.00	70,332.04	21.50	1,512,081.79
1998	695,154.55	28.00	24,827.67	22.50	558,602.38
1999	653,846.24	28.00	23,352.33	23.50	548,760.77
2000	666,272.20	28.00	23,796.12	24.50	582,985.76
2001	969,936.08	28.00	34,841.58	25.50	883,332.14
2002	802,957.80	28.00	28,677.89	26.50	759,940.96

Bay State Gas Company

Total Company

381.00 GAS METERS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 28 Survivor Curve: S6

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
2003	330,299.37	28.00	11,796.75	27.50	324,401.00
Total	24,527,065.54	28.00	875,991.99	14.95	13,099,032.97

Composite Average Remaining Life ... 14.95 Years

Bay State Gas Company
Total Company
382.00 METER INSTALLATIONS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

APPENDIX E

Average Service Life: 53 Survivor Curve: S3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1953	26,208.93	53.00	494.51	11.48	5,675.58
1954	37,735.62	53.00	711.99	11.90	8,475.81
1955	28,963.17	53.00	508.74	12.35	6,280.80
1956	47,621.31	53.00	898.51	12.81	11,505.99
1957	38,730.51	53.00	730.76	13.28	9,706.41
1958	46,452.66	53.00	876.46	13.78	12,075.34
1959	48,212.41	53.00	909.67	14.29	12,999.65
1960	54,699.62	53.00	1,032.07	14.82	15,298.04
1961	62,962.74	53.00	1,187.97	15.37	18,264.32
1962	72,407.81	53.00	1,366.18	15.95	21,785.00
1963	83,116.45	53.00	1,588.23	16.54	25,935.36
1964	91,463.75	53.00	1,725.73	17.15	29,591.73
1965	107,782.59	53.00	2,033.63	17.78	36,162.74
1966	177,253.04	53.00	3,344.39	18.44	61,666.54
1967	140,064.15	53.00	2,642.71	19.12	50,520.40
1968	130,574.03	53.00	2,463.65	19.82	48,821.35
1969	150,679.91	53.00	2,843.01	20.54	58,389.99
1970	157,967.49	53.00	2,980.51	21.28	63,428.55
1971	178,697.89	53.00	3,371.65	22.05	74,329.40
1972	135,874.31	53.00	2,563.66	22.83	58,530.03
1973	139,984.17	53.00	2,641.20	23.63	62,420.10
1974	343,124.55	53.00	6,474.03	24.46	158,353.14
1975	313,061.75	53.00	5,906.81	25.31	149,473.27
1976	227,353.00	53.00	4,289.67	26.17	112,255.56
1977	189,657.36	53.00	3,578.43	27.05	96,794.77
1978	189,661.62	53.00	3,578.51	27.95	100,005.69
1979	336,819.47	53.00	6,355.06	28.86	183,392.49

Bay State Gas Company
Total Company
382.00 METER INSTALLATIONS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 53 Survivor Curve: S3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1980	459,309.47	53.00	8,666.19	29.78	258,103.48
1981	531,408.69	53.00	10,026.55	30.72	308,018.14
1982	642,488.81	53.00	12,122.39	31.67	383,884.09
1983	918,137.26	53.00	17,323.29	32.63	565,191.81
1984	1,003,611.28	53.00	18,936.00	33.59	636,121.59
1985	1,211,954.04	53.00	22,866.98	34.57	790,454.00
1986	1,482,688.70	53.00	27,975.17	35.55	994,452.71
1987	1,784,760.50	53.00	33,674.62	36.53	1,230,229.76
1988	2,034,069.04	53.00	38,378.54	37.52	1,440,038.58
1989	2,184,880.64	53.00	41,224.03	38.51	1,587,711.94
1990	2,533,227.84	53.00	47,796.60	39.51	1,888,390.85
1991	1,781,452.69	53.00	33,612.21	40.51	1,381,468.59
1992	1,554,788.08	53.00	29,335.53	41.50	1,217,512.62
1993	1,501,386.83	53.00	28,327.96	42.50	1,203,985.91
1994	1,703,567.81	53.00	32,142.69	43.50	1,398,236.39
1995	1,544,081.22	53.00	29,133.51	44.50	1,296,456.37
1996	1,870,686.16	53.00	35,295.85	45.50	1,605,972.15
1997	1,817,962.70	53.00	34,301.07	46.50	1,595,007.68
1998	2,155,659.41	53.00	40,672.69	47.50	1,931,960.20
1999	2,069,061.15	53.00	39,038.76	48.50	1,893,386.94
2000	2,412,880.65	53.00	45,525.90	49.50	2,253,540.26
2001	2,247,337.85	53.00	42,402.47	50.50	2,141,331.78
2002	1,719,775.84	53.00	32,448.50	51.50	1,671,103.09
2003	1,660,096.67	53.00	31,322.48	52.50	1,644,435.43

Bay State Gas Company

Total Company

382.00 METER INSTALLATIONS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 53 Survivor Curve: S3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
<i>Total</i>	42,380,403.42	53.00	799,627.70	41.01	32,789,132.40

Composite Average Remaining Life ... 41.01 Years

Bay State Gas Company
Total Company
383.00 GAS REGULATORS

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2003
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 31 Survivor Curve: S6

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1974	6,868.56	31.00	221.57	2.55	564.38
1975	52,031.96	31.00	1,678.51	3.12	5,244.70
1976	325,940.07	31.00	10,514.58	3.83	40,237.90
1977	132,574.64	31.00	4,276.76	4.65	19,887.36
1978	422,245.65	31.00	13,621.33	5.56	75,679.77
1979	370,379.42	31.00	11,948.16	6.52	77,856.40
1980	515,283.61	31.00	16,622.66	7.50	124,718.27
1981	307,592.83	31.00	9,922.71	8.50	84,338.62
1982	179,153.33	31.00	5,779.35	9.50	54,897.92
1983	284,692.04	31.00	9,183.95	10.50	96,421.14
1984	174,995.92	31.00	5,645.24	11.50	64,913.80
1985	167,672.35	31.00	5,408.98	12.50	67,606.13
1986	26,179.35	31.00	844.53	13.50	11,400.14
1988	276,943.08	31.00	8,933.98	15.50	138,466.44
1989	489,137.54	31.00	15,779.21	16.50	260,338.98
1990	527,325.44	31.00	17,011.12	17.50	297,675.27
1991	1,608,928.23	31.00	51,902.82	18.50	960,142.97
1992	1,684,923.08	31.00	53,709.17	19.50	1,047,267.60
1993	1,386,360.43	31.00	44,722.95	20.50	916,769.46
1994	1,348,017.15	31.00	43,486.02	21.50	934,699.92
1995	33,703.37	31.00	1,087.25	22.50	24,461.78
1996	1,021,829.32	31.00	32,963.45	23.50	774,803.45
1997	871,464.02	31.00	28,112.78	24.50	688,730.97
1998	1,103,296.63	31.00	35,591.52	25.50	907,543.25
1999	27,920.49	31.00	900.69	26.50	23,867.37
2000	115,742.72	31.00	3,733.77	27.50	102,674.51
2001	102,203.21	31.00	3,297.00	28.50	93,960.71

Bay State Gas Company

Total Company

383.00 GAS REGULATORS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 31

Survivor Curve: S6

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
2002	18,615.33	31.00	600.52	29.50	17,714.56
Total	13,562,019.77	31.00	437,500.61	18.09	7,912,883.66

Composite Average Remaining Life ... 18.09 Years

Bay State Gas Company

Total Company

391.10 OFFICE FURNITURE AND EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 9

Survivor Curve: L3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1971	985.04	0.00	0.00	0.00	0.00
1974	133.01	0.00	0.00	0.00	0.00
1985	749.95	9.00	83.33	0.69	57.83
1988	1,660.28	9.00	184.48	1.28	232.85
1991	18,336.44	9.00	2,037.45	1.98	4,032.58
1994	33,161.50	9.00	3,684.74	2.65	9,748.55
1995	527,731.62	9.00	58,638.83	2.81	164,978.06
1996	1,002,628.90	9.00	111,406.75	3.04	338,948.48
1997	579,580.32	9.00	64,399.99	3.42	220,083.33
1998	1,102,606.52	9.00	122,515.97	3.99	488,616.73
1999	81,766.91	9.00	9,065.52	4.74	43,048.51
2000	279,913.46	9.00	31,102.55	5.60	174,192.00
2001	84,847.40	9.00	9,427.81	6.53	61,540.82
2002	33,989.75	9.00	3,776.77	7.60	28,332.83
2003	1,500.00	9.00	168.67	8.50	1,416.66
Total	3,749,589.10	7.80	416,510.85	3.69	1,535,229.23

Composite Average Remaining Life ... 3.69 Years

Bay State Gas Company

Total Company

391.20 COMPUTERS AND IT EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 7 Survivor Curve: R4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1988	633.92	0.00	0.00	0.00	0.00
1994	387,684.06	7.00	55,377.12	0.50	27,732.15
1995	8,446.22	7.00	1,206.53	0.63	757.30
1996	400,588.33	7.00	57,223.33	0.88	50,555.13
1997	492,463.39	7.00	70,347.52	1.31	92,379.01
1998	1,485,127.50	7.00	212,147.83	1.98	415,349.44
1999	2,814,051.21	7.00	401,982.23	2.72	1,093,610.33
2000	379,920.07	7.00	54,270.91	3.59	194,646.02
2001	824,912.17	7.00	117,837.24	4.53	533,417.37
2002	136,151.79	7.00	19,449.04	5.51	107,091.88
2003	551,734.25	7.00	78,814.26	6.50	512,378.69
Total	7,481,692.91	6.36	1,068,656.02	2.83	3,027,917.33

Composite Average Remaining Life ... 2.83 Years

Bay State Gas Company

Total Company

392.00 TRANSPORTATION EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 10 Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1994	885,516.26	10.00	86,550.21	2.28	197,496.17
1995	804,757.58	10.00	80,474.45	2.84	228,470.51
1996	774,885.62	10.00	77,487.30	3.48	269,852.08
1997	52,577.10	10.00	5,257.62	4.20	22,071.67
1998	28,298.38	10.00	2,829.59	4.97	14,073.83
1999	57,404.35	10.00	5,740.34	5.80	33,306.72
2000	50,469.35	10.00	5,046.85	6.68	33,699.56
2001	4,929.13	10.00	492.90	7.59	3,742.34
Total	2,638,835.77	10.00	263,879.27	3.04	802,712.88

Composite Average Remaining Life ... 3.04 Years

Bay State Gas Company

Total Company

393.00 STORES EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 19 Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1989	20,774.25	19.00	1,093.37	6.44	7,037.91
1990	13,673.33	19.00	719.64	7.13	5,130.93
2001	16,024.97	19.00	843.41	16.56	13,967.71
Total	50,472.55	19.00	2,656.42	9.84	26,136.55

Composite Average Remaining Life ... 9.84 Years

Bay State Gas Company

Total Company

394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 21 Survivor Curve: R3

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1982	1,466.54	21.00	69.83	4.02	280.63
1983	33,345.62	21.00	1,587.87	4.49	7,122.73
1984	53,641.46	21.00	2,554.33	5.00	12,770.44
1985	37,638.76	21.00	1,792.31	5.56	9,961.27
1986	127,774.37	21.00	6,084.44	6.18	37,469.25
1987	40,215.97	21.00	1,915.03	6.80	13,016.18
1988	22,550.21	21.00	1,073.81	7.47	8,024.60
1989	44,702.83	21.00	2,128.69	8.18	17,416.62
1990	73,670.51	21.00	3,508.09	8.92	31,294.57
1991	43,031.27	21.00	2,049.09	9.69	19,848.63
1992	78,574.41	21.00	3,741.61	10.48	39,211.33
1993	56,294.89	21.00	2,680.69	11.30	30,285.47
1994	87,268.04	21.00	4,155.58	12.14	50,444.09
1995	147,033.11	21.00	7,001.52	13.00	91,035.02
1996	42,768.79	21.00	2,036.59	13.89	28,279.98
1997	62,320.14	21.00	2,967.60	14.79	43,889.24
1998	62,668.38	21.00	2,984.18	15.71	46,882.65
1999	623,861.46	21.00	29,707.43	16.65	494,533.31
2000	44,236.54	21.00	2,106.48	17.60	37,066.79
2001	8,665.74	21.00	460.27	18.56	8,541.76
2002	16,649.05	21.00	792.81	19.53	15,482.99
Total	1,709,378.09	21.00	81,398.25	12.81	1,042,857.56

Composite Average Remaining Life ... 12.81 Years

Bay State Gas Company

Total Company

394.10 (368.00) COMPRESSOR STATION EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 22

Survivor Curve: R2.5

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1975	23,318.29	22.00	1,059.91	3.04	3,226.47
1982	303,946.76	22.00	13,815.62	5.50	75,963.96
Total	327,265.05	22.00	14,875.54	5.32	79,190.42

Composite Average Remaining Life ... 5.32 Years

Bay State Gas Company

Total Company

394.30 (387.00) OTHER EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 11 Survivor Curve: L4

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1990	120,880.30	11.00	10,998.80	1.79	19,710.02
1991	108,600.09	11.00	9,873.26	1.98	19,584.57
1992	79,162.22	11.00	7,196.95	2.13	15,298.99
1993	199,382.66	11.00	18,126.67	2.29	41,528.23
1994	120,471.51	11.00	10,952.54	2.61	28,587.09
1995	164,142.42	11.00	14,922.84	3.15	47,068.39
1996	191,103.92	11.00	17,374.01	3.87	67,296.77
1997	90,605.94	11.00	8,237.34	4.69	38,604.24
1998	138,393.76	11.00	12,581.92	5.57	70,080.00
1999	160,704.01	11.00	14,810.24	6.52	95,187.15
2000	107,633.52	11.00	9,785.39	7.50	73,394.53
2001	159,567.06	11.00	14,506.87	8.50	123,299.87
2002	109,228.87	11.00	9,930.43	9.50	94,333.23
2003	64,820.83	11.00	5,893.12	10.50	61,874.27
Total	1,814,797.11	11.00	164,990.38	4.82	795,827.36

Composite Average Remaining Life ... 4.82 Years

Bay State Gas Company

Total Company

396.00 POWER OPERATED EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 13 Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1990	103,414.12	13.00	7,954.93	2.42	19,219.72
1992	56,754.59	13.00	4,365.73	3.42	14,927.72
1993	188,820.98	13.00	14,524.68	4.03	58,484.37
1995	93,902.19	13.00	7,223.24	5.42	39,131.42
1996	30,830.00	13.00	2,371.54	7.84	18,598.79
1999	8,091.00	13.00	622.38	8.72	5,429.95
2002	7,690.00	13.00	591.54	11.53	6,822.98
Total	489,502.88	13.00	37,654.04	4.32	162,814.95

Composite Average Remaining Life ... 4.32 Years

Bay State Gas Company

Total Company

397.10 COMMUNICATION EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 17 Survivor Curve: R2

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1984	16,767.53	17.00	986.30	3.63	3,584.71
1985	229,491.73	17.00	13,499.11	4.04	54,534.84
1986	58,716.21	17.00	3,453.79	4.48	15,469.83
1987	71,119.86	17.00	4,183.40	4.95	20,721.52
1988	412,235.52	17.00	24,248.43	5.46	132,463.19
1989	248,894.99	17.00	14,640.45	6.01	87,947.33
1990	211,487.24	17.00	12,440.06	6.59	81,924.87
1991	740,198.90	17.00	43,539.82	7.20	313,321.50
1992	306,587.25	17.00	18,034.01	7.84	141,387.47
1993	269,487.43	17.00	15,851.73	8.51	134,919.85
1994	218,166.70	17.00	12,832.95	9.21	118,215.70
1995	455,175.84	17.00	26,774.25	9.94	266,108.16
1996	342,490.49	17.00	20,145.80	10.69	215,381.97
1997	1,301,540.87	17.00	76,558.95	11.47	877,897.85
1998	1,080,258.25	17.00	63,542.71	12.27	779,383.35
1999	426,678.59	17.00	25,097.99	13.08	328,396.17
2000	186,146.98	17.00	10,949.50	13.92	152,455.78
2001	346,079.86	17.00	20,357.03	14.78	300,910.42
2002	4,135.00	17.00	243.23	15.66	3,808.27
2003	107,935.17	17.00	6,348.94	16.55	105,068.12
Total	7,033,594.41	17.00	413,728.54	9.99	4,133,860.88

Composite Average Remaining Life ... 9.99 Years

Bay State Gas Company

Total Company

397.20 METSCAN METER INTERFACE UNITS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 9

Survivor Curve: R5

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1982	234,250.41	9.00	26,031.02	0.50	13,015.51
1983	384,487.00	9.00	42,726.03	0.58	24,842.16
1997	1,473,954.42	9.00	163,792.86	2.61	427,158.44
1998	1,184,284.26	9.00	131,603.32	3.52	463,837.27
1999	2,788,000.76	9.00	307,371.22	4.50	1,383,585.02
2000	273,149.65	9.00	30,353.69	5.50	166,912.48
2001	33,537.29	9.00	3,726.82	6.50	24,220.23
2003	69,662.29	9.00	7,741.21	8.50	65,791.69
Total	6,419,326.08	9.00	713,346.18	3.60	2,569,162.80

Composite Average Remaining Life ... 3.60 Years

Bay State Gas Company

Total Company

398.00 MISCELLANEOUS EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2003

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 18

Survivor Curve: L1.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1990	2,113.34	18.00	117.40	9.05	1,062.23
1991	14,572.50	18.00	809.55	9.40	7,608.21
1996	8,534.51	18.00	474.12	11.82	5,602.73
Total	25,220.35	18.00	1,401.08	10.19	14,271.16

Composite Average Remaining Life... 10.19 Years

SECTION 7

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1975 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	1,199.00	0.00	0.00%	482.00	0.00%	(482.00)	-40.20%
1981	563.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	13,185.00	9,460.00	71.75%	0.00	0.00%	9,460.00	71.75%
1984	7,266.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	252.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	802.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	1,366.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	60,828.71	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	35,097.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	32,289.25	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	1,650.00	54,519.88	3304.24%	0.00	0.00%	54,519.88	3304.24%
2000	91,947.59	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	312,945.92	139,359.00	44.53%	0.00	0.00%	139,359.00	44.53%
2002	0.00	88,839.00	0.00%	0.00	0.00%	88,839.00	0.00%
2003	55,013.46	14,843.00	26.98%	0.00	0.00%	14,843.00	26.98%

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1975 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	1,762.00	0.00	0.00%	482.00	27.36%	(482.00)	-27.36%
1981 - 1983	13,748.00	9,460.00	68.81%	0.00	0.00%	9,460.00	68.81%
1982 - 1984	20,451.00	9,460.00	46.26%	0.00	0.00%	9,460.00	46.26%
1983 - 1985	20,451.00	9,460.00	46.26%	0.00	0.00%	9,460.00	46.26%
1984 - 1986	7,518.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	1,054.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	1,054.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	2,168.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	1,366.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	1,366.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	60,828.71	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	95,926.53	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	95,926.53	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	35,097.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	32,289.25	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	32,289.25	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	33,939.25	54,519.88	160.64%	0.00	0.00%	54,519.88	160.64%
1998 - 2000	93,597.59	54,519.88	58.25%	0.00	0.00%	54,519.88	58.25%
1999 - 2001	406,543.51	193,878.88	47.69%	0.00	0.00%	193,878.88	47.69%
2000 - 2002	404,893.51	228,198.00	56.36%	0.00	0.00%	228,198.00	56.36%
2001 - 2003	367,959.38	243,041.00	66.05%	0.00	0.00%	243,041.00	66.05%

Bay State Gas Company

Total Company

305.00 STRUCTURES AND IMPROVEMENTS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1975 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1975 - 2003	614,405.75	307,020.88	49.97 %	482.00	0.08 %	306,538.88	49.89 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	42.0
Average Retirement Age (Yrs)	31.9
Years To ASL	10.1
Inflation Factor At 2.75% to ASL	1.32

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	53.98%
1989-2003	15 - Year Trend	76.04%
1994-2003	10 - Year Trend	90.99%
1999-2003	5 - Year Trend	20.48%

Forcasted

Gross Salvage	20.48%
(Five Year Trend)	
Cost Of Removal	0.11%
Net Salvage	20.37%

Bay State Gas Company
Total Company
311.00 LIQUEFIED PETROLEUM GAS EQUIPMENT

*Forecasted Future Net Salvage
 Based Upon Experienced Net Salvage 1978 - 2003*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1983	771.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	4,660.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	2,882.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	2,294.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	3,403.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	46,479.38	8,433.75	18.15%	0.00	0.00%	8,433.75	18.15%
1993	55,002.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	1,490.33	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	23,888.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	24,919.41	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	70,144.90	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	932,055.57	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	1,410,149.79	388,745.00	27.57%	400.79	0.00%	388,344.21	27.54%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	195,744.53	0.00	0.00%	0.00	0.00%	0.00	0.00%

* Forecasted Future Net Salvage is based upon the experience of the last 15 years. Actual results may vary.

Bay State Gas Company

Total Company

311.00 LIQUEFIED PETROLEUM GAS EQUIPMENT

***Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1978 - 2003***

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1983 - 1985	8,313.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984 - 1986	7,542.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	2,882.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	2,294.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	2,294.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	5,697.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	49,882.38	8,433.75	16.91%	0.00	0.00%	8,433.75	16.91%
1991 - 1993	104,885.20	8,433.75	8.04%	0.00	0.00%	8,433.75	8.04%
1992 - 1994	102,972.53	8,433.75	8.19%	0.00	0.00%	8,433.75	8.19%
1993 - 1995	56,493.15	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	1,490.33	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	23,888.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	48,807.55	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	118,952.45	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	1,027,119.88	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	2,412,350.26	388,745.00	16.11%	400.79	0.02%	388,344.21	16.10%
2000 - 2002	2,342,205.36	388,745.00	16.60%	400.79	0.02%	388,344.21	16.58%
2001 - 2003	1,605,894.32	388,745.00	24.21%	400.79	0.02%	388,344.21	24.18%

Bay State Gas Company
Total Company
311.00 LIQUEFIED PETROLEUM GAS EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1978 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1978 - 2003	2,773,884.87	397,178.75	14.32 %	400.79	0.01 %	396,777.96	14.30 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	36.0
Average Retirement Age (Yrs)	31.2
Years To ASL	4.8
Inflation Factor At 2.75% to ASL	1.14

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	4.78%
1989-2003	15 - Year Trend	12.90%
1994-2003	10 - Year Trend	17.87%
1999-2003	5 - Year Trend	30.89%

Forcasted

Gross Salvage	30.89%
(Five Year Trend)	
Cost Of Removal	0.01%
Net Salvage	30.88%

Bay State Gas Company

Total Company

320.00 OTHER EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1982	1,245.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	47,472.00	256.00	0.54%	0.00	0.00%	256.00	0.54%
1984	464.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	513.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	22,133.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	16,499.91	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	74,696.79	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	5,776.09	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	10,738.33	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	3,715.56	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	14,267.47	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	132,007.91	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	92,740.77	46,773.00	50.43%	0.00	0.00%	46,773.00	50.43%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	92,223.39	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
320.00 OTHER EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1982 - 1984	49,181.00	256.00	0.52%	0.00	0.00%	256.00	0.52%
1983 - 1985	47,936.00	256.00	0.53%	0.00	0.00%	256.00	0.53%
1984 - 1986	977.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	513.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	513.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	22,133.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	22,133.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	22,133.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	16,499.91	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	91,196.70	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	91,196.70	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	80,472.88	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	5,776.09	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	16,514.42	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	14,453.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	28,721.36	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	149,990.94	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	239,016.15	46,773.00	19.57%	0.00	0.00%	46,773.00	19.57%
2000 - 2002	224,748.68	46,773.00	20.81%	0.00	0.00%	46,773.00	20.81%
2001 - 2003	184,964.16	46,773.00	25.29%	0.00	0.00%	46,773.00	25.29%

Bay State Gas Company
Total Company
320.00 OTHER EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	514,493.22	47,029.00	9.14 %	0.00	0.00 %	47,029.00	9.14 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	20.0
Average Retirement Age (Yrs)	21.3
Years To ASL	-1.3
Inflation Factor At 2.75% to ASL	0.96

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	12.09%
1989-2003	15 - Year Trend	15.80%
1994-2003	10 - Year Trend	22.27%
1999-2003	5 - Year Trend	34.55%

Forcasted

Gross Salvage	34.55%
(Five Year Trend)	
Cost Of Removal	0.00%
Net Salvage	34.55%

Bay State Gas Company

Total Company

321.00 LNG EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1980 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1982	8,093.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	4,272.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	1,318.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	2,996.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	2,058.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	1,454.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	24,661.70	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	7,596.64	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	730,849.73	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	633,486.35	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	144,885.49	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	4,117.38	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

321.00 LNG EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1980 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1982 - 1984	8,093.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 - 1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984 - 1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	4,272.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	4,272.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	5,590.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	4,314.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	6,372.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	6,508.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	28,174.52	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	33,713.16	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	32,258.34	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	7,596.64	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	730,849.73	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	1,364,336.08	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	1,509,221.57	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	782,489.22	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	149,002.87	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	4,117.38	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

321.00 LNG EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1980 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 2003	1,565,789.11	0.00	0.00 %	0.00	0.00 %	0.00	0.00 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	27.0
Average Retirement Age (Yrs)	19.5
Years To ASL	7.5
Inflation Factor At 2.75% to ASL	1.23

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	0.00%
1989-2003	15 - Year Trend	0.00%
1994-2003	10 - Year Trend	0.00%
1999-2003	5 - Year Trend	0.00%

Forcasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	0.00%
Net Salvage	0.00%

Bay State Gas Company

Total Company

375.20 (366.00) STRUCTURES AND IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	4,074.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	28,096.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	800.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	15,936.00	11,563.00	72.56%	0.00	0.00%	11,563.00	72.56%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	908.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	1,782.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	1,623.69	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	43,224.72	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	7,511.54	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	629.83	0.00%	(629.83)	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	35,985.10	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	41,089.09	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

375.20 (366.00) STRUCTURES AND IMPROVEMENTS

*Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	32,970.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	44,832.00	11,563.00	25.79%	0.00	0.00%	11,563.00	25.79%
1982 - 1984	16,736.00	11,563.00	69.09%	0.00	0.00%	11,563.00	69.09%
1983 - 1985	15,936.00	11,563.00	72.56%	0.00	0.00%	11,563.00	72.56%
1984 - 1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	908.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	908.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	2,690.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	3,405.69	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	46,630.41	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	44,848.41	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	43,224.72	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	7,511.54	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	7,511.54	0.00	0.00%	629.83	8.38%	(629.83)	-8.38%
1998 - 2000	7,511.54	0.00	0.00%	629.83	8.38%	(629.83)	-8.38%
1999 - 2001	35,985.10	0.00	0.00%	629.83	1.75%	(629.83)	-1.75%
2000 - 2002	35,985.10	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	77,074.19	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
375.20 (366.00) STRUCTURES AND IMPROVEMENTS

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	181,030.14	11,563.00	6.39 %	629.83	0.35 %	10,933.17	6.04 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	54.0
Average Retirement Age (Yrs)	32.8
Years To ASL	21.2
Inflation Factor At 2.75% to ASL	1.78

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	-13.02%
1989-2003	15 - Year Trend	0.00%
1994-2003	10 - Year Trend	0.00%
1999-2003	5 - Year Trend	0.00%

Forcasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	0.62%
Net Salvage	-0.62%

Bay State Gas Company
Total Company
375.70 (390.00) STRUCTURES AND IMPROVEMENTS

*Forecasted Future Net Salvage
 Based Upon Experienced Net Salvage 1977 - 2003*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	1,313.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	3,936.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	3,000.00	0.00	0.00%	743.00	0.00%	(743.00)	-24.77%
1984	38,988.00	0.00	0.00%	300.00	0.00%	(300.00)	-0.77%
1985	587.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	4,802.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	36,796.00	0.00	0.00%	21,037.00	0.00%	(21,037.00)	-57.17%
1992	11,036.67	0.00	0.00%	4,977.00	0.00%	(4,977.00)	-45.10%
1993	86,376.35	0.00	0.00%	9,015.33	0.00%	(9,015.33)	-10.44%
1994	0.00	0.00	0.00%	247.00	0.00%	(247.00)	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	11,413,585.08	8,024,444.22	70.31%	0.00	0.00%	8,024,444.22	70.31%
1998	34,211.09	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	(105,394.52)	0.00%	105,394.52	0.00%
2001	0.00	0.00	0.00%	10,500.00	0.00%	(10,500.00)	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
375.70 (390.00) STRUCTURES AND IMPROVEMENTS
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	5,249.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	6,936.00	0.00	0.00%	743.00	10.71%	(743.00)	-10.71%
1982 - 1984	45,924.00	0.00	0.00%	1,043.00	2.27%	(1,043.00)	-2.27%
1983 - 1985	42,575.00	0.00	0.00%	1,043.00	2.45%	(1,043.00)	-2.45%
1984 - 1986	39,575.00	0.00	0.00%	300.00	0.76%	(300.00)	-0.76%
1985 - 1987	587.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	4,802.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	4,802.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	41,598.00	0.00	0.00%	21,037.00	50.57%	(21,037.00)	-50.57%
1990 - 1992	47,832.67	0.00	0.00%	26,014.00	54.39%	(26,014.00)	-54.39%
1991 - 1993	134,209.02	0.00	0.00%	35,029.33	26.10%	(35,029.33)	-26.10%
1992 - 1994	97,413.02	0.00	0.00%	14,239.33	14.62%	(14,239.33)	-14.62%
1993 - 1995	86,376.35	0.00	0.00%	9,262.33	10.72%	(9,262.33)	-10.72%
1994 - 1996	0.00	0.00	0.00%	247.00	0.00%	(247.00)	0.00%
1995 - 1997	11,413,585.08	8,024,444.22	70.31%	0.00	0.00%	8,024,444.22	70.31%
1996 - 1998	11,447,796.17	8,024,444.22	70.10%	0.00	0.00%	8,024,444.22	70.10%
1997 - 1999	11,447,796.17	8,024,444.22	70.10%	0.00	0.00%	8,024,444.22	70.10%
1998 - 2000	34,211.09	0.00	0.00%	(105,394.52)	-308.07%	105,394.52	308.07%
1999 - 2001	0.00	0.00	0.00%	(94,894.52)	0.00%	94,894.52	0.00%
2000 - 2002	0.00	0.00	0.00%	(94,894.52)	0.00%	94,894.52	0.00%
2001 - 2003	0.00	0.00	0.00%	10,500.00	0.00%	(10,500.00)	0.00%

Bay State Gas Company

Total Company

375.70 (390.00) STRUCTURES AND IMPROVEMENTS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	11,634,631.19	8,024,444.22	68.97 %	(58,575.19)	-0.50 %	8,083,019.41	69.47 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	80.0
Average Retirement Age (Yrs)	6.8
Years To ASL	83.2
Inflation Factor At 2.75% to ASL	9.56

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	25.48%
1989-2003	15 - Year Trend	26.06%
1994-2003	10 - Year Trend	14.02%
1999-2003	5 - Year Trend	-28.04%

Forcasted

Gross Salvage	-28.04%
(Five Year Trend)	
Cost Of Removal	-4.78%
Net Salvage	-23.26%

Bay State Gas Company

Total Company

376.00, 376.10, 376.20, 376.30, 376.40, 376.50, 376.60

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1975 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	129,138.00	0.00	0.00%	52,873.00	0.00%	(52,873.00)	-40.94%
1981	145,625.00	0.00	0.00%	63,330.00	0.00%	(63,330.00)	-43.49%
1982	165,080.00	0.00	0.00%	38,931.00	0.00%	(38,931.00)	-23.58%
1983	115,885.00	0.00	0.00%	26,620.00	0.00%	(26,620.00)	-22.97%
1984	155,450.00	0.00	0.00%	28,675.00	0.00%	(28,675.00)	-18.45%
1985	140,934.00	0.00	0.00%	16,517.00	0.00%	(16,517.00)	-11.72%
1986	136,687.00	0.00	0.00%	23,936.00	0.00%	(23,936.00)	-17.51%
1987	151,159.00	0.00	0.00%	37,235.00	0.00%	(37,235.00)	-24.63%
1988	155,278.00	0.00	0.00%	35,245.00	0.00%	(35,245.00)	-22.70%
1989	214,789.00	0.00	0.00%	22,425.00	0.00%	(22,425.00)	-10.44%
1990	169,335.00	0.00	0.00%	44,327.00	0.00%	(44,327.00)	-26.18%
1991	124,621.00	0.00	0.00%	57,281.00	0.00%	(57,281.00)	-45.96%
1992	328,609.61	0.00	0.00%	67,109.10	0.00%	(67,109.10)	-20.42%
1993	768,581.31	0.00	0.00%	63,566.15	0.00%	(63,566.15)	-8.27%
1994	98,079.31	13,660.00	13.93%	97,642.00	0.00%	(83,982.00)	-85.63%
1995	1,195,351.16	14,210.96	1.19%	57,679.30	0.00%	(43,468.34)	-3.64%
1996	1,414,907.26	0.00	0.00%	93,148.12	0.00%	(93,148.12)	-6.58%
1997	987,605.89	0.00	0.00%	103,232.98	0.00%	(103,232.98)	-10.45%
1998	823,146.60	0.00	0.00%	97,793.51	0.00%	(97,793.51)	-11.88%
1999	1,447,631.87	8,223.22	0.57%	174,472.27	0.00%	(166,249.05)	-11.48%
2000	1,782,060.22	7,442.00	0.42%	71,064.00	0.00%	(63,622.00)	-3.57%
2001	1,398,094.66	0.00	0.00%	110,873.14	0.00%	(110,873.14)	-7.93%
2002	289,391.84	0.00	0.00%	127,718.16	0.00%	(127,718.16)	-44.13%
2003	1,027,726.75	0.00	0.00%	112,809.48	0.00%	(112,809.48)	-10.98%

Bay State Gas Company

Total Company

376.00, 376.10, 376.20, 376.30, 376.40, 376.50, 376.60

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1975 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	439,843.00	0.00	0.00%	155,134.00	35.27%	(155,134.00)	-35.27%
1981 - 1983	426,590.00	0.00	0.00%	128,881.00	30.21%	(128,881.00)	-30.21%
1982 - 1984	436,415.00	0.00	0.00%	94,226.00	21.59%	(94,226.00)	-21.59%
1983 - 1985	412,269.00	0.00	0.00%	71,812.00	17.42%	(71,812.00)	-17.42%
1984 - 1986	433,071.00	0.00	0.00%	69,128.00	15.96%	(69,128.00)	-15.96%
1985 - 1987	428,780.00	0.00	0.00%	77,688.00	18.12%	(77,688.00)	-18.12%
1986 - 1988	443,124.00	0.00	0.00%	96,416.00	21.76%	(96,416.00)	-21.76%
1987 - 1989	521,226.00	0.00	0.00%	94,905.00	18.21%	(94,905.00)	-18.21%
1988 - 1990	539,402.00	0.00	0.00%	101,997.00	18.91%	(101,997.00)	-18.91%
1989 - 1991	508,745.00	0.00	0.00%	124,033.00	24.38%	(124,033.00)	-24.38%
1990 - 1992	622,565.61	0.00	0.00%	168,717.10	27.10%	(168,717.10)	-27.10%
1991 - 1993	1,221,811.92	0.00	0.00%	187,956.25	15.38%	(187,956.25)	-15.38%
1992 - 1994	1,195,270.23	13,660.00	1.14%	228,317.25	19.10%	(214,657.25)	-17.96%
1993 - 1995	2,062,011.78	27,870.96	1.35%	218,887.45	10.62%	(191,016.49)	-9.26%
1994 - 1996	2,708,337.73	27,870.96	1.03%	248,469.42	9.17%	(220,598.46)	-8.15%
1995 - 1997	3,597,864.31	14,210.96	0.39%	254,060.40	7.06%	(239,849.44)	-6.67%
1996 - 1998	3,225,659.75	0.00	0.00%	294,174.61	9.12%	(294,174.61)	-9.12%
1997 - 1999	3,258,384.36	8,223.22	0.25%	375,498.76	11.52%	(367,275.54)	-11.27%
1998 - 2000	4,052,838.69	15,665.22	0.39%	343,329.78	8.47%	(327,664.56)	-8.08%
1999 - 2001	4,627,786.75	15,665.22	0.34%	356,409.41	7.70%	(340,744.19)	-7.36%
2000 - 2002	3,469,546.72	7,442.00	0.21%	309,655.30	8.92%	(302,213.30)	-8.71%
2001 - 2003	2,715,213.25	0.00	0.00%	351,400.78	12.94%	(351,400.78)	-12.94%

Bay State Gas Company

Total Company

376.00, 376.10, 376.20, 376.30, 376.40, 376.50, 376.60

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1975 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1975 - 2003	13,365,167.48	43,536.18	0.33 %	1,624,503.21	12.15 %	(1,580,967.03)	-11.83 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	52.5
Average Retirement Age (Yrs)	29.6
Years To ASL	22.9
Inflation Factor At 2.75% to ASL	1.86

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	0.49%
1989-2003	15 - Year Trend	0.40%
1994-2003	10 - Year Trend	-0.20%
1999-2003	5 - Year Trend	0.04%

Forcasted

Gross Salvage 0.04%

(Five Year Trend)

Cost Of Removal 22.62%

Net Salvage -22.58%

Bay State Gas Company
Total Company
378.00 (369.00) MEAS AND REG STATION EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1981	9,135.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	600.00	0.00	0.00%	73.00	0.00%	(73.00)	-12.17%
1983	13,301.00	0.00	0.00%	2,704.00	0.00%	(2,704.00)	-20.33%
1984	11,033.00	0.00	0.00%	2,010.00	0.00%	(2,010.00)	-18.22%
1985	1,400.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	628.00	0.00	0.00%	153.00	0.00%	(153.00)	-24.36%
1987	0.00	0.00	0.00%	2,960.00	0.00%	(2,960.00)	0.00%
1988	8,205.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	20,002.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	1,226.00	0.00	0.00%	17,766.00	0.00%	(17,766.00)	-1449.10%
1991	28,633.00	0.00	0.00%	34,232.00	0.00%	(34,232.00)	-119.55%
1992	50,033.92	0.00	0.00%	24,790.41	0.00%	(24,790.41)	-49.55%
1993	216,714.58	0.00	0.00%	1,600.00	0.00%	(1,600.00)	-0.74%
1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	58,439.31	0.00	0.00%	1,490.95	0.00%	(1,490.95)	-2.55%
1998	42,749.93	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	3,003.00	0.00%	(3,003.00)	0.00%
2000	4,318.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	97,224.92	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	19,926.72	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

The experience of the company in the removal of discontinued equipment, especially natural gas measurement equipment, has been used to forecast the future net salvage value.

Bay State Gas Company

Total Company

378.00 (369.00) MEAS AND REG STATION EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1981 - 1983	23,036.00	0.00	0.00%	2,777.00	12.06%	(2,777.00)	-12.06%
1982 - 1984	24,934.00	0.00	0.00%	4,787.00	19.20%	(4,787.00)	-19.20%
1983 - 1985	25,734.00	0.00	0.00%	4,714.00	18.32%	(4,714.00)	-18.32%
1984 - 1986	13,061.00	0.00	0.00%	2,163.00	16.56%	(2,163.00)	-16.56%
1985 - 1987	2,028.00	0.00	0.00%	3,113.00	153.50%	(3,113.00)	-153.50%
1986 - 1988	8,833.00	0.00	0.00%	3,113.00	35.24%	(3,113.00)	-35.24%
1987 - 1989	28,207.00	0.00	0.00%	2,960.00	10.49%	(2,960.00)	-10.49%
1988 - 1990	29,433.00	0.00	0.00%	17,766.00	60.36%	(17,766.00)	-60.36%
1989 - 1991	49,861.00	0.00	0.00%	51,998.00	104.29%	(51,998.00)	-104.29%
1990 - 1992	79,892.92	0.00	0.00%	76,788.41	96.11%	(76,788.41)	-96.11%
1991 - 1993	295,381.50	0.00	0.00%	60,622.41	20.52%	(60,622.41)	-20.52%
1992 - 1994	266,748.50	0.00	0.00%	26,390.41	9.89%	(26,390.41)	-9.89%
1993 - 1995	216,714.58	0.00	0.00%	1,600.00	0.74%	(1,600.00)	-0.74%
1994 - 1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	58,439.31	0.00	0.00%	1,490.95	2.55%	(1,490.95)	-2.55%
1996 - 1998	101,189.24	0.00	0.00%	1,490.95	1.47%	(1,490.95)	-1.47%
1997 - 1999	101,189.24	0.00	0.00%	4,493.95	4.44%	(4,493.95)	-4.44%
1998 - 2000	47,067.93	0.00	0.00%	3,003.00	6.38%	(3,003.00)	-6.38%
1999 - 2001	101,542.92	0.00	0.00%	3,003.00	2.96%	(3,003.00)	-2.96%
2000 - 2002	121,469.64	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	117,151.64	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
378.00 (369.00) MEAS AND REG STATION EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<i>Three - Year Rolling Bands</i>							
1977 - 2003	583,570.38	0.00	0.00 %	90,782.36	15.56 %	(90,782.36)	-15.56 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

		<u>Gross Salvage</u>	
		<u>Linear Trend Analysis</u>	
Annual Inflation Rate	2.75%	1984-2003	20 - Year Trend 0.00%
Average Service Life (ASL)	39.0	1989-2003	15 - Year Trend 0.00%
Average Retirement Age (Yrs)	29.4	1994-2003	10 - Year Trend 0.00%
Years To ASL	9.6	1999-2003	5 - Year Trend 0.00%
Inflation Factor At 2.75% to ASL	1.30		

Forcasted

Gross Salvage 0.00%

(Five Year Trend)

Cost Of Removal 20.17%

Net Salvage -20.17%

Bay State Gas Company

Total Company

380.00, 380.10, 380.20, 380.30, 380.40, 380.50

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	216,743.00	0.00	0.00%	470,789.00	0.00%	(470,789.00)	-217.21%
1981	195,114.00	0.00	0.00%	433,185.00	0.00%	(433,185.00)	-222.02%
1982	180,632.00	0.00	0.00%	340,285.00	0.00%	(340,285.00)	-188.39%
1983	192,477.00	0.00	0.00%	265,529.00	0.00%	(265,529.00)	-137.95%
1984	199,911.00	0.00	0.00%	244,866.00	0.00%	(244,866.00)	-122.49%
1985	221,828.00	0.00	0.00%	227,533.00	0.00%	(227,533.00)	-102.57%
1986	221,333.00	0.00	0.00%	196,001.00	0.00%	(196,001.00)	-88.55%
1987	191,408.00	0.00	0.00%	203,346.00	0.00%	(203,346.00)	-106.24%
1988	305,408.00	0.00	0.00%	582,705.00	0.00%	(582,705.00)	-190.80%
1989	321,619.00	0.00	0.00%	850,448.00	0.00%	(850,448.00)	-264.43%
1990	279,648.00	0.00	0.00%	762,290.00	0.00%	(762,290.00)	-272.59%
1991	168,542.00	0.00	0.00%	550,332.00	0.00%	(550,332.00)	-326.53%
1992	407,833.98	0.00	0.00%	510,353.57	0.00%	(510,353.57)	-125.14%
1993	437,968.48	0.00	0.00%	536,014.23	0.00%	(536,014.23)	-122.39%
1994	34,014.55	0.00	0.00%	586,398.99	0.00%	(586,398.99)	-1723.97%
1995	563,007.89	0.00	0.00%	542,878.85	0.00%	(542,878.85)	-96.42%
1996	514,308.13	0.00	0.00%	514,034.84	0.00%	(514,034.84)	-99.95%
1997	403,824.74	0.00	0.00%	1,182,769.41	0.00%	(1,182,769.41)	-292.89%
1998	553,794.12	0.00	0.00%	769,017.22	0.00%	(769,017.22)	-138.86%
1999	313,232.34	0.00	0.00%	672,911.30	0.00%	(672,911.30)	-214.83%
2000	418,942.16	0.00	0.00%	600,632.00	0.00%	(600,632.00)	-143.37%
2001	653,619.45	0.00	0.00%	695,054.39	0.00%	(695,054.39)	-106.34%
2002	346,146.23	0.00	0.00%	632,818.69	0.00%	(632,818.69)	-183.35%
2003	355,850.94	0.00	0.00%	803,728.02	0.00%	(803,728.02)	-225.86%

**FUTURE SALVAGE FIGURES ARE NOT ADJUSTED FOR INFLATION. THE FORECASTED FUTURE NET SALVAGE IS A PREDICTION OF EXPERTS BASED ON THE EXPERIENCED NET SALVAGE FROM 1977 TO 2003.

Bay State Gas Company

Total Company

380.00, 380.10, 380.20, 380.30, 380.40, 380.50

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>

Three - Year Rolling Bands

1980 - 1982	592,489.00	0.00	0.00%	1,244,259.00	210.01%	(1,244,259.00)	-210.01%
1981 - 1983	568,223.00	0.00	0.00%	1,038,999.00	182.85%	(1,038,999.00)	-182.85%
1982 - 1984	573,020.00	0.00	0.00%	850,680.00	148.46%	(850,680.00)	-148.46%
1983 - 1985	614,216.00	0.00	0.00%	737,928.00	120.14%	(737,928.00)	-120.14%
1984 - 1986	643,072.00	0.00	0.00%	668,400.00	103.94%	(668,400.00)	-103.94%
1985 - 1987	634,569.00	0.00	0.00%	626,880.00	98.79%	(626,880.00)	-98.79%
1986 - 1988	718,149.00	0.00	0.00%	982,052.00	136.75%	(982,052.00)	-136.75%
1987 - 1989	818,435.00	0.00	0.00%	1,636,499.00	199.95%	(1,636,499.00)	-199.95%
1988 - 1990	906,675.00	0.00	0.00%	2,195,443.00	242.14%	(2,195,443.00)	-242.14%
1989 - 1991	769,809.00	0.00	0.00%	2,163,070.00	280.99%	(2,163,070.00)	-280.99%
1990 - 1992	858,023.98	0.00	0.00%	1,822,975.57	212.96%	(1,822,975.57)	-212.96%
1991 - 1993	1,014,344.46	0.00	0.00%	1,596,699.80	157.41%	(1,596,699.80)	-157.41%
1992 - 1994	879,817.01	0.00	0.00%	1,632,766.79	185.58%	(1,632,766.79)	-185.58%
1993 - 1995	1,034,990.92	0.00	0.00%	1,665,292.07	160.90%	(1,665,292.07)	-160.90%
1994 - 1996	1,111,330.57	0.00	0.00%	1,643,312.68	147.87%	(1,643,312.68)	-147.87%
1995 - 1997	1,481,140.76	0.00	0.00%	2,239,683.10	151.21%	(2,239,683.10)	-151.21%
1996 - 1998	1,471,926.99	0.00	0.00%	2,465,821.47	167.52%	(2,465,821.47)	-167.52%
1997 - 1999	1,270,851.20	0.00	0.00%	2,624,697.93	206.53%	(2,624,697.93)	-206.53%
1998 - 2000	1,285,968.62	0.00	0.00%	2,042,560.52	158.83%	(2,042,560.52)	-158.83%
1999 - 2001	1,385,793.95	0.00	0.00%	1,968,597.69	142.06%	(1,968,597.69)	-142.06%
2000 - 2002	1,417,707.84	0.00	0.00%	1,928,505.08	136.03%	(1,928,505.08)	-136.03%
2001 - 2003	1,354,616.62	0.00	0.00%	2,131,601.10	157.36%	(2,131,601.10)	-157.36%

Bay State Gas Company
Total Company
380.00, 380.10, 380.20, 380.30, 380.40, 380.50

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	7,696,206.01	0.00	0.00 %	13,173,920.51	171.17 %	(13,173,920.51)	-171.17 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	55.3
Average Retirement Age (Yrs)	23.6
Years To ASL	31.6
Inflation Factor At 2.75% to ASL	2.36

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	0.00%
1989-2003	15 - Year Trend	0.00%
1994-2003	10 - Year Trend	0.00%
1999-2003	5 - Year Trend	0.00%

Forcasted

Gross Salvage 0.00%
 (Five Year Trend)

Cost Of Removal 403.72%

Net Salvage -403.72%

Bay State Gas Company

Total Company

381.00 GAS METERS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	117,882.00	51,972.00	44.09%	0.00	0.00%	51,972.00	44.09%
1981	118,864.00	32,940.00	27.71%	0.00	0.00%	32,940.00	27.71%
1982	108,899.00	53,335.00	48.98%	0.00	0.00%	53,335.00	48.98%
1983	231,159.00	48,849.00	21.13%	124.00	0.00%	48,725.00	21.08%
1984	259,776.00	65,525.00	25.22%	0.00	0.00%	65,525.00	25.22%
1985	200,698.00	47,508.00	23.67%	0.00	0.00%	47,508.00	23.67%
1986	163,468.00	42,033.00	25.71%	0.00	0.00%	42,033.00	25.71%
1987	221,810.00	19,153.00	8.63%	0.00	0.00%	19,153.00	8.63%
1988	189,521.00	8,618.00	4.55%	0.00	0.00%	8,618.00	4.55%
1989	408,003.00	11,414.00	2.80%	0.00	0.00%	11,414.00	2.80%
1990	75,380.00	2,778.00	3.69%	0.00	0.00%	2,778.00	3.69%
1991	65,189.00	8,985.00	13.78%	0.00	0.00%	8,985.00	13.78%
1992	83,493.62	569.62	0.68%	0.00	0.00%	569.62	0.68%
1993	98,766.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	323,976.76	21,415.00	6.61%	0.00	0.00%	21,415.00	6.61%
1995	345,365.95	19,842.10	5.75%	0.00	0.00%	19,842.10	5.75%
1996	336,845.30	109.60	0.03%	0.00	0.00%	109.60	0.03%
1997	399,588.62	625.64	0.16%	0.00	0.00%	625.64	0.16%
1998	219,105.93	110.23	0.05%	0.00	0.00%	110.23	0.05%
1999	278,665.81	0.00	0.00%	3,477.13	0.00%	(3,477.13)	-1.25%
2000	358,396.18	11,469.00	3.20%	0.00	0.00%	11,469.00	3.20%
2001	351,165.05	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	249,146.01	2,925.25	1.17%	0.00	0.00%	2,925.25	1.17%
2003	611,308.49	13,517.32	2.21%	0.00	0.00%	13,517.32	2.21%

Bay State Gas Company

Total Company

381.00 GAS METERS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>

Three - Year Rolling Bands

1980 - 1982	345,645.00	138,247.00	40.00%	0.00	0.00%	138,247.00	40.00%
1981 - 1983	458,922.00	135,124.00	29.44%	124.00	0.03%	135,000.00	29.42%
1982 - 1984	599,834.00	167,709.00	27.96%	124.00	0.02%	167,585.00	27.94%
1983 - 1985	691,633.00	161,882.00	23.41%	124.00	0.02%	161,758.00	23.39%
1984 - 1986	623,942.00	155,066.00	24.85%	0.00	0.00%	155,066.00	24.85%
1985 - 1987	585,976.00	108,694.00	18.55%	0.00	0.00%	108,694.00	18.55%
1986 - 1988	574,799.00	69,804.00	12.14%	0.00	0.00%	69,804.00	12.14%
1987 - 1989	819,334.00	39,185.00	4.78%	0.00	0.00%	39,185.00	4.78%
1988 - 1990	672,904.00	22,810.00	3.39%	0.00	0.00%	22,810.00	3.39%
1989 - 1991	548,572.00	23,177.00	4.22%	0.00	0.00%	23,177.00	4.22%
1990 - 1992	224,062.62	12,332.62	5.50%	0.00	0.00%	12,332.62	5.50%
1991 - 1993	247,448.76	9,554.62	3.86%	0.00	0.00%	9,554.62	3.86%
1992 - 1994	506,236.52	21,984.62	4.34%	0.00	0.00%	21,984.62	4.34%
1993 - 1995	768,108.85	41,257.10	5.37%	0.00	0.00%	41,257.10	5.37%
1994 - 1996	1,006,188.01	41,366.70	4.11%	0.00	0.00%	41,366.70	4.11%
1995 - 1997	1,081,799.87	20,577.34	1.90%	0.00	0.00%	20,577.34	1.90%
1996 - 1998	955,539.85	845.47	0.09%	0.00	0.00%	845.47	0.09%
1997 - 1999	897,360.36	735.87	0.08%	3,477.13	0.39%	(2,741.26)	-0.31%
1998 - 2000	856,167.92	11,579.23	1.35%	3,477.13	0.41%	8,102.10	0.95%
1999 - 2001	988,227.04	11,469.00	1.16%	3,477.13	0.35%	7,991.87	0.81%
2000 - 2002	958,707.24	14,394.25	1.50%	0.00	0.00%	14,394.25	1.50%
2001 - 2003	1,211,619.55	16,442.57	1.36%	0.00	0.00%	16,442.57	1.36%

Bay State Gas Company

Total Company

381.00 GAS METERS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	5,816,472.86	463,693.76	7.97 %	3,601.13	0.06 %	460,092.63	7.91 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	28.0
Average Retirement Age (Yrs)	29.4
Years To ASL	-1.4
Inflation Factor At 2.75% to ASL	0.96

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	-5.47%
1989-2003	15 - Year Trend	0.28%
1994-2003	10 - Year Trend	-0.22%
1999-2003	5 - Year Trend	1.90%

Forcasted

Gross Salvage	1.90%
(Five Year Trend)	
Cost Of Removal	0.06%
Net Salvage	1.84%

Bay State Gas Company
Total Company
382.00 METER INSTALLATIONS

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	37,517.00	0.00	0.00%	1,389.00	0.00%	(1,389.00)	-3.70%
1981	28,072.00	0.00	0.00%	2,933.00	0.00%	(2,933.00)	-10.45%
1982	19,465.00	0.00	0.00%	8,226.00	0.00%	(8,226.00)	-42.26%
1983	21,942.00	0.00	0.00%	20,377.00	0.00%	(20,377.00)	-92.87%
1984	25,235.00	0.00	0.00%	8,072.00	0.00%	(8,072.00)	-31.99%
1985	36,018.00	0.00	0.00%	4,684.00	0.00%	(4,684.00)	-13.00%
1986	36,477.00	0.00	0.00%	7,452.00	0.00%	(7,452.00)	-20.43%
1987	35,141.00	0.00	0.00%	9,755.00	0.00%	(9,755.00)	-27.76%
1988	55,238.00	0.00	0.00%	5,924.00	0.00%	(5,924.00)	-10.72%
1989	82,938.00	0.00	0.00%	4,849.00	0.00%	(4,849.00)	-5.85%
1990	37,397.00	0.00	0.00%	6,815.00	0.00%	(6,815.00)	-18.22%
1991	28,363.00	0.00	0.00%	15,355.00	0.00%	(15,355.00)	-54.14%
1992	60,518.66	0.00	0.00%	14,023.61	0.00%	(14,023.61)	-23.17%
1993	101,881.26	0.00	0.00%	19,099.09	0.00%	(19,099.09)	-18.75%
1994	0.00	0.00	0.00%	16,178.36	0.00%	(16,178.36)	0.00%
1995	0.00	0.00	0.00%	15,980.66	0.00%	(15,980.66)	0.00%
1996	0.00	0.00	0.00%	22,217.61	0.00%	(22,217.61)	0.00%
1997	41,321.44	0.00	0.00%	13,504.07	0.00%	(13,504.07)	-32.68%
1998	15,509.35	0.00	0.00%	23,229.36	0.00%	(23,229.36)	-149.78%
1999	17,675.77	0.00	0.00%	30,275.69	0.00%	(30,275.69)	-171.28%
2000	34,180.59	0.00	0.00%	26,560.00	0.00%	(26,560.00)	-77.70%
2001	62,565.37	0.00	0.00%	32,079.80	0.00%	(32,079.80)	-51.27%
2002	12,850.15	0.00	0.00%	13,567.50	0.00%	(13,567.50)	-105.58%
2003	0.00	0.00	0.00%	28,638.19	0.00%	(28,638.19)	0.00%

Bay State Gas Company

Total Company

382.00 METER INSTALLATIONS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	85,054.00	0.00	0.00%	12,548.00	14.75%	(12,548.00)	-14.75%
1981 - 1983	69,479.00	0.00	0.00%	31,536.00	45.39%	(31,536.00)	-45.39%
1982 - 1984	66,642.00	0.00	0.00%	36,675.00	55.03%	(36,675.00)	-55.03%
1983 - 1985	83,195.00	0.00	0.00%	33,133.00	39.83%	(33,133.00)	-39.83%
1984 - 1986	97,730.00	0.00	0.00%	20,208.00	20.68%	(20,208.00)	-20.68%
1985 - 1987	107,636.00	0.00	0.00%	21,891.00	20.34%	(21,891.00)	-20.34%
1986 - 1988	126,856.00	0.00	0.00%	23,131.00	18.23%	(23,131.00)	-18.23%
1987 - 1989	173,317.00	0.00	0.00%	20,528.00	11.84%	(20,528.00)	-11.84%
1988 - 1990	175,573.00	0.00	0.00%	17,588.00	10.02%	(17,588.00)	-10.02%
1989 - 1991	148,698.00	0.00	0.00%	27,019.00	18.17%	(27,019.00)	-18.17%
1990 - 1992	126,278.66	0.00	0.00%	36,193.61	28.66%	(36,193.61)	-28.66%
1991 - 1993	190,762.92	0.00	0.00%	48,477.70	25.41%	(48,477.70)	-25.41%
1992 - 1994	162,399.92	0.00	0.00%	49,301.06	30.36%	(49,301.06)	-30.36%
1993 - 1995	101,881.26	0.00	0.00%	51,258.11	50.31%	(51,258.11)	-50.31%
1994 - 1996	0.00	0.00	0.00%	54,376.63	0.00%	(54,376.63)	0.00%
1995 - 1997	41,321.44	0.00	0.00%	51,702.34	125.12%	(51,702.34)	-125.12%
1996 - 1998	56,830.79	0.00	0.00%	58,951.04	103.73%	(58,951.04)	-103.73%
1997 - 1999	74,506.56	0.00	0.00%	67,009.12	89.94%	(67,009.12)	-89.94%
1998 - 2000	67,365.71	0.00	0.00%	80,065.05	118.85%	(80,065.05)	-118.85%
1999 - 2001	114,421.73	0.00	0.00%	88,915.49	77.71%	(88,915.49)	-77.71%
2000 - 2002	109,596.11	0.00	0.00%	72,207.30	65.88%	(72,207.30)	-65.88%
2001 - 2003	75,415.52	0.00	0.00%	74,285.49	98.50%	(74,285.49)	-98.50%

Bay State Gas Company
Total Company
382.00 METER INSTALLATIONS
Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	790,305.59	0.00	0.00 %	351,184.94	44.44 %	(351,184.94)	-44.44 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	53.0
Average Retirement Age (Yrs)	32.8
Years To ASL	20.2
Inflation Factor At 2.75% to ASL	1.73

<u>Gross Salvage</u>	<u>Linear Trend Analysis</u>
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1984-2003	20 - Year Trend	0.00%
1989-2003	15 - Year Trend	0.00%
1994-2003	10 - Year Trend	0.00%
1999-2003	5 - Year Trend	0.00%

Forcasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	76.81%
Net Salvage	-76.81%

Bay State Gas Company

Total Company

383.00 GAS REGULATORS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	14,397.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	16,898.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	9,258.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	43,287.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	14,592.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	13,118.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	16,772.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	15,260.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	8,114.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	62,573.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	5,290.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	4,648.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	35,227.71	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	32,676.39	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	63,626.03	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	60,737.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	41,419.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	41,446.81	0.00	0.00%	12,850.00	0.00%	(12,850.00)	-31.00%
1998	66,299.06	0.00	0.00%	7,560.42	0.00%	(7,560.42)	-11.40%
1999	14,275.65	694.34	4.86%	0.00	0.00%	694.34	4.86%
2000	59,894.39	0.00	0.00%	6,707.00	0.00%	(6,707.00)	-11.20%
2001	17,135.49	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	33,619.62	0.00	0.00%	14,305.54	0.00%	(14,305.54)	-42.55%
2003	17,415.45	0.00	0.00%	4,395.00	0.00%	(4,395.00)	-25.24%

Bay State Gas Company

Total Company

383.00 GAS REGULATORS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	40,351.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	69,241.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982 - 1984	67,137.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 - 1985	70,997.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984 - 1986	44,482.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	45,150.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	40,146.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	85,947.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	75,977.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	72,511.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	45,165.71	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	72,552.10	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	131,530.13	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	157,039.56	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	165,782.99	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	143,603.77	0.00	0.00%	12,850.00	8.95%	(12,850.00)	-8.95%
1996 - 1998	149,165.69	0.00	0.00%	20,410.42	13.68%	(20,410.42)	-13.68%
1997 - 1999	122,021.52	694.34	0.57%	20,410.42	16.73%	(19,716.08)	-16.16%
1998 - 2000	140,469.10	694.34	0.49%	14,267.42	10.16%	(13,573.08)	-9.66%
1999 - 2001	91,305.53	694.34	0.76%	6,707.00	7.35%	(6,012.66)	-6.59%
2000 - 2002	110,649.50	0.00	0.00%	21,012.54	18.99%	(21,012.54)	-18.99%
2001 - 2003	68,170.56	0.00	0.00%	18,700.54	27.43%	(18,700.54)	-27.43%

Bay State Gas Company

Total Company

383.00 GAS REGULATORS

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	707,778.56	694.34	0.10 %	45,817.96	6.47 %	(45,123.62)	-6.38 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	31.0
Average Retirement Age (Yrs)	28.3
Years To ASL	2.7
Inflation Factor At 2.75% to ASL	1.07

Gross Salvage **Linear Trend Analysis**

1984-2003	20 - Year Trend	0.28%
1989-2003	15 - Year Trend	0.34%
1994-2003	10 - Year Trend	0.38%
1999-2003	5 - Year Trend	-0.12%

Forecasted

Gross Salvage	-0.12%
(Five Year Trend)	
Cost Of Removal	6.95%
Net Salvage	-7.08%

Bay State Gas Company

Total Company

391.00, 391.10, 391.20

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	15,571.00	6,280.00	40.33%	0.00	0.00%	6,280.00	40.33%
1981	78,891.00	10,000.00	12.68%	0.00	0.00%	10,000.00	12.68%
1982	14,114.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	89,055.00	9,150.00	10.27%	0.00	0.00%	9,150.00	10.27%
1984	20,684.00	2,040.00	9.86%	0.00	0.00%	2,040.00	9.86%
1985	70,422.00	1,707.00	2.42%	0.00	0.00%	1,707.00	2.42%
1986	93,346.00	185.00	0.20%	0.00	0.00%	185.00	0.20%
1987	89,621.00	1,610.00	1.80%	0.00	0.00%	1,610.00	1.80%
1988	308,326.00	1,955.00	0.63%	0.00	0.00%	1,955.00	0.63%
1989	530,179.00	620.00	0.12%	7,579.00	0.00%	(6,959.00)	-1.31%
1990	3,135.00	32.00	1.02%	4,173.00	0.00%	(4,141.00)	-132.09%
1991	1,018,235.00	6,432.00	0.63%	925.00	0.00%	5,507.00	0.54%
1992	251,242.70	25.00	0.01%	436.84	0.00%	(411.84)	-0.16%
1993	549,428.93	1,700.00	0.31%	0.00	0.00%	1,700.00	0.31%
1994	566,703.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	325,782.81	1.00	0.00%	0.00	0.00%	1.00	0.00%
1996	254,032.85	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	1,266,118.96	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	947,177.19	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	463,133.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	3,258,251.66	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	1,803,718.01	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	249,392.24	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

391.00, 391.10, 391.20

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	108,576.00	16,280.00	14.99%	0.00	0.00%	16,280.00	14.99%
1981 - 1983	182,060.00	19,150.00	10.52%	0.00	0.00%	19,150.00	10.52%
1982 - 1984	123,853.00	11,190.00	9.03%	0.00	0.00%	11,190.00	9.03%
1983 - 1985	180,161.00	12,897.00	7.16%	0.00	0.00%	12,897.00	7.16%
1984 - 1986	184,452.00	3,932.00	2.13%	0.00	0.00%	3,932.00	2.13%
1985 - 1987	253,389.00	3,502.00	1.38%	0.00	0.00%	3,502.00	1.38%
1986 - 1988	491,293.00	3,750.00	0.76%	0.00	0.00%	3,750.00	0.76%
1987 - 1989	928,126.00	4,185.00	0.45%	7,579.00	0.82%	(3,394.00)	-0.37%
1988 - 1990	841,640.00	2,607.00	0.31%	11,752.00	1.40%	(9,145.00)	-1.09%
1989 - 1991	1,551,549.00	7,084.00	0.46%	12,677.00	0.82%	(5,593.00)	-0.36%
1990 - 1992	1,272,612.70	6,489.00	0.51%	5,534.84	0.43%	954.16	0.07%
1991 - 1993	1,818,906.63	8,157.00	0.45%	1,361.84	0.07%	6,795.16	0.37%
1992 - 1994	1,367,374.77	1,725.00	0.13%	436.84	0.03%	1,288.16	0.09%
1993 - 1995	1,441,914.88	1,701.00	0.12%	0.00	0.00%	1,701.00	0.12%
1994 - 1996	1,146,518.80	1.00	0.00%	0.00	0.00%	1.00	0.00%
1995 - 1997	1,845,934.62	1.00	0.00%	0.00	0.00%	1.00	0.00%
1996 - 1998	2,467,329.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	2,676,429.97	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	4,668,562.67	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	5,525,103.49	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	5,311,361.91	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	2,053,110.25	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

391.00, 391.10, 391.20

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<i>Three - Year Rolling Bands</i>							
1977 - 2003	12,266,561.31	41,737.00	0.34 %	13,113.84	0.11 %	28,623.16	0.23 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	7.7
Average Retirement Age (Yrs)	8.9
Years To ASL	-1.3
Inflation Factor At 2.75% to ASL	0.97

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	-1.71%
1989-2003	15 - Year Trend	-0.15%
1994-2003	10 - Year Trend	-0.04%
1999-2003	5 - Year Trend	0.00%

Forcasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	0.11%
Net Salvage	-0.11%

Bay State Gas Company

Total Company

392.00 TRANSPORTATION EQUIPMENT

**Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003**

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	8,429.00	1,200.00	14.24%	0.00	0.00%	1,200.00	14.24%
1981	7,943.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	26,675.00	5,851.00	21.93%	0.00	0.00%	5,851.00	21.93%
1983	7,665.00	1.00	0.01%	0.00	0.00%	1.00	0.01%
1984	65,073.00	13,026.00	20.02%	0.00	0.00%	13,026.00	20.02%
1985	114,827.00	16,567.00	14.43%	0.00	0.00%	16,567.00	14.43%
1986	133,887.00	15,803.00	11.80%	0.00	0.00%	15,803.00	11.80%
1987	250,638.00	27,985.00	11.17%	0.00	0.00%	27,985.00	11.17%
1988	430,727.00	37,551.00	8.72%	0.00	0.00%	37,551.00	8.72%
1989	128,025.00	17,324.00	13.53%	0.00	0.00%	17,324.00	13.53%
1990	81,331.00	12,536.00	15.41%	0.00	0.00%	12,536.00	15.41%
1991	89,563.00	25,202.00	28.14%	0.00	0.00%	25,202.00	28.14%
1992	160,107.71	16,335.91	10.20%	0.00	0.00%	16,335.91	10.20%
1993	454,531.21	60,307.08	13.27%	0.00	0.00%	60,307.08	13.27%
1994	288,258.06	13,961.60	4.84%	0.00	0.00%	13,961.60	4.84%
1995	228,089.28	31,414.46	13.77%	0.00	0.00%	31,414.46	13.77%
1996	932,883.08	94,082.01	10.09%	0.00	0.00%	94,082.01	10.09%
1997	446,414.88	88,540.87	19.83%	0.00	0.00%	88,540.87	19.83%
1998	1,194,281.62	5,356.00	0.45%	0.00	0.00%	5,356.00	0.45%
1999	360,474.29	87,046.46	24.15%	7,130.00	0.00%	79,916.46	22.17%
2000	915,299.66	94,873.00	10.37%	0.00	0.00%	94,873.00	10.37%
2001	336,966.88	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	179,080.27	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	653,780.84	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

392.00 TRANSPORTATION EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	43,047.00	7,051.00	16.38%	0.00	0.00%	7,051.00	16.38%
1981 - 1983	42,283.00	5,852.00	13.84%	0.00	0.00%	5,852.00	13.84%
1982 - 1984	99,413.00	18,878.00	18.99%	0.00	0.00%	18,878.00	18.99%
1983 - 1985	187,565.00	29,594.00	15.78%	0.00	0.00%	29,594.00	15.78%
1984 - 1986	313,787.00	45,398.00	14.47%	0.00	0.00%	45,398.00	14.47%
1985 - 1987	499,352.00	60,355.00	12.09%	0.00	0.00%	60,355.00	12.09%
1986 - 1988	815,252.00	81,339.00	9.98%	0.00	0.00%	81,339.00	9.98%
1987 - 1989	809,390.00	82,860.00	10.24%	0.00	0.00%	82,860.00	10.24%
1988 - 1990	640,083.00	67,411.00	10.53%	0.00	0.00%	67,411.00	10.53%
1989 - 1991	298,919.00	55,062.00	18.42%	0.00	0.00%	55,062.00	18.42%
1990 - 1992	331,001.71	54,073.91	16.34%	0.00	0.00%	54,073.91	16.34%
1991 - 1993	704,201.92	101,844.99	14.46%	0.00	0.00%	101,844.99	14.46%
1992 - 1994	902,896.98	90,604.59	10.03%	0.00	0.00%	90,604.59	10.03%
1993 - 1995	970,878.55	105,683.14	10.89%	0.00	0.00%	105,683.14	10.89%
1994 - 1996	1,449,230.42	139,458.07	9.62%	0.00	0.00%	139,458.07	9.62%
1995 - 1997	1,607,387.24	214,037.34	13.32%	0.00	0.00%	214,037.34	13.32%
1996 - 1998	2,573,579.58	187,978.88	7.30%	0.00	0.00%	187,978.88	7.30%
1997 - 1999	2,001,170.79	180,943.33	9.04%	7,130.00	0.36%	173,813.33	8.69%
1998 - 2000	2,470,055.57	187,275.46	7.58%	7,130.00	0.29%	180,145.46	7.29%
1999 - 2001	1,612,740.83	181,919.46	11.28%	7,130.00	0.44%	174,789.46	10.84%
2000 - 2002	1,431,348.81	94,873.00	6.63%	0.00	0.00%	94,873.00	6.63%
2001 - 2003	1,169,827.99	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

392.00 TRANSPORTATION EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	7,494,950.78	664,963.39	8.87 %	7,130.00	0.10 %	657,833.39	8.78 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

		<u>Gross Salvage</u>	<u>Linear Trend Analysis</u>
Annual Inflation Rate	2.75%	1984-2003 20 - Year Trend	5.79%
Average Service Life (ASL)	10.0	1989-2003 15 - Year Trend	5.09%
Average Retirement Age (Yrs)	10.1	1994-2003 10 - Year Trend	4.33%
Years To ASL	-0.1	1999-2003 5 - Year Trend	1.20%
Inflation Factor At 2.75% to ASL	1.00		

Forcasted

Gross Salvage 1.20%
(Five Year Trend)

Cost Of Removal 0.10%

Net Salvage 1.10%

Bay State Gas Company

Total Company

393.00 STORES EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1978 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1982	272.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	3,547.00	125.00	3.52%	0.00	0.00%	125.00	3.52%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	1,621.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	1,062.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	1,120.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	28,943.00	3,500.00	12.09%	0.00	0.00%	3,500.00	12.09%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	10,302.80	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	16,192.46	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	21,616.37	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	7,916.77	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	42,393.98	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	21,165.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
393.00 STORES EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1978 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>

Three - Year Rolling Bands

1982 - 1984	3,819.00	125.00	3.27%	0.00	0.00%	125.00	3.27%
1983 - 1985	3,547.00	125.00	3.52%	0.00	0.00%	125.00	3.52%
1984 - 1986	1,621.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	2,683.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	3,803.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	31,125.00	3,500.00	11.24%	0.00	0.00%	3,500.00	11.24%
1988 - 1990	30,063.00	3,500.00	11.64%	0.00	0.00%	3,500.00	11.64%
1989 - 1991	28,943.00	3,500.00	12.09%	0.00	0.00%	3,500.00	12.09%
1990 - 1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	10,302.80	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	26,495.26	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	26,495.26	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	37,808.83	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	21,616.37	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	29,533.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	7,916.77	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	50,310.75	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	42,393.98	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	63,559.12	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	21,165.14	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
393.00 STORES EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1978 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1978 - 2003	156,152.52	3,625.00	2.32 %	0.00	0.00 %	3,625.00	2.32 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	19.0
Average Retirement Age (Yrs)	20.8
Years To ASL	-1.8
Inflation Factor At 2.75% to ASL	0.95

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	-0.79%
1989-2003	15 - Year Trend	-3.64%
1994-2003	10 - Year Trend	0.00%
1999-2003	5 - Year Trend	0.00%

Forcasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	0.00%
Net Salvage	0.00%

Bay State Gas Company

Total Company

394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	10,093.00	700.00	6.94%	0.00	0.00%	700.00	6.94%
1981	602.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	2,947.00	150.00	5.09%	0.00	0.00%	150.00	5.09%
1983	17,435.00	325.00	1.86%	0.00	0.00%	325.00	1.86%
1984	15,670.00	0.00	0.00%	11,313.00	0.00%	(11,313.00)	-72.20%
1985	5,348.00	25.00	0.47%	0.00	0.00%	25.00	0.47%
1986	15,758.00	600.00	3.81%	0.00	0.00%	600.00	3.81%
1987	23,857.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	58,945.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	109,542.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	2,445.00	0.00	0.00%	4,772.00	0.00%	(4,772.00)	-195.17%
1991	5,022.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	29,442.99	5,282.00	17.94%	8,766.00	0.00%	(3,484.00)	-11.83%
1993	135,159.45	4,805.00	3.56%	0.00	0.00%	4,805.00	3.56%
1994	15,079.36	555.50	3.68%	0.00	0.00%	555.50	3.68%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	312.31	0.00%	0.00	0.00%	312.31	0.00%
1997	2,205.00	0.00	0.00%	173.55	0.00%	(173.55)	-7.87%
1998	0.00	0.00	0.00%	33,862.04	0.00%	(33,862.04)	0.00%
1999	4,267.66	-206.39	-4.84%	0.00	0.00%	(206.39)	-4.84%
2000	0.00	0.00	0.00%	(390.00)	0.00%	390.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<i>Three - Year Rolling Bands</i>							
1980 - 1982	13,642.00	850.00	6.23%	0.00	0.00%	850.00	6.23%
1981 - 1983	20,984.00	475.00	2.26%	0.00	0.00%	475.00	2.26%
1982 - 1984	36,052.00	475.00	1.32%	11,313.00	31.38%	(10,838.00)	-30.06%
1983 - 1985	38,453.00	350.00	0.91%	11,313.00	29.42%	(10,963.00)	-28.51%
1984 - 1986	36,776.00	625.00	1.70%	11,313.00	30.76%	(10,688.00)	-29.06%
1985 - 1987	44,963.00	625.00	1.39%	0.00	0.00%	625.00	1.39%
1986 - 1988	98,560.00	600.00	0.61%	0.00	0.00%	600.00	0.61%
1987 - 1989	192,344.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	170,932.00	0.00	0.00%	4,772.00	2.79%	(4,772.00)	-2.79%
1989 - 1991	117,009.00	0.00	0.00%	4,772.00	4.08%	(4,772.00)	-4.08%
1990 - 1992	36,909.99	5,282.00	14.31%	13,538.00	36.68%	(8,256.00)	-22.37%
1991 - 1993	169,624.44	10,087.00	5.95%	8,766.00	5.17%	1,321.00	0.78%
1992 - 1994	179,681.80	10,642.50	5.92%	8,766.00	4.88%	1,876.50	1.04%
1993 - 1995	150,238.81	5,360.50	3.57%	0.00	0.00%	5,360.50	3.57%
1994 - 1996	15,079.36	867.81	5.75%	0.00	0.00%	867.81	5.75%
1995 - 1997	2,205.00	312.31	14.16%	173.55	7.87%	138.76	6.29%
1996 - 1998	2,205.00	312.31	14.16%	34,035.59	1543.56%	(33,723.28)	-1529.40%
1997 - 1999	6,472.66	-206.39	-3.19%	34,035.59	525.84%	(34,241.98)	-529.02%
1998 - 2000	4,267.66	-206.39	-4.84%	33,472.04	784.32%	(33,678.43)	-789.15%
1999 - 2001	4,267.66	-206.39	-4.84%	(390.00)	-9.14%	183.61	4.30%
2000 - 2002	0.00	0.00	0.00%	(390.00)	0.00%	390.00	0.00%
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	453,818.46	12,548.42	2.77 %	58,496.59	12.89 %	(45,948.17)	-10.12 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	21.0
Average Retirement Age (Yrs)	16.4
Years To ASL	4.6
Inflation Factor At 2.75% to ASL	1.13

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	2.54%
1989-2003	15 - Year Trend	0.51%
1994-2003	10 - Year Trend	-3.78%
1999-2003	5 - Year Trend	0.79%

Forcasted

Gross Salvage	0.79%
(Five Year Trend)	
Cost Of Removal	14.61%
Net Salvage	-13.81%

Bay State Gas Company
Total Company
394.10 (368.00) COMPRESSOR STATION EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1982	33,333.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	76,794.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	268.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	2,202.40	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	459.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
394.10 (368.00) COMPRESSOR STATION EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1982 - 1984	33,333.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 - 1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984 - 1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	76,794.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	77,062.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	77,062.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	268.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	2,202.40	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	2,661.40	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	2,661.40	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	459.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
394.10 (368.00) COMPRESSOR STATION EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	113,056.40	0.00	0.00 %	0.00	0.00 %	0.00	0.00 %

Trend Analysis (End Year) **2003**

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	22.0
Average Retirement Age (Yrs)	16.3
Years To ASL	5.7
Inflation Factor At 2.75% to ASL	1.17

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	0.00%
1989-2003	15 - Year Trend	0.00%
1994-2003	10 - Year Trend	0.00%
1999-2003	5 - Year Trend	0.00%

Forcasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	0.00%
Net Salvage	0.00%

Bay State Gas Company

Total Company

394.30 (387.00) OTHER EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	962.00	400.00	41.58%	0.00	0.00%	400.00	41.58%
1981	408.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	5,499.00	500.00	9.09%	0.00	0.00%	500.00	9.09%
1983	1,887.00	421.00	22.31%	0.00	0.00%	421.00	22.31%
1984	2,776.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	2,620.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	1,294.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	5,642.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	60,770.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	74,129.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	131,003.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	2,739.36	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	180,489.49	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	86,102.50	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	23,785.79	-81.92	-0.34%	0.00	0.00%	(81.92)	-0.34%
1996	18,453.83	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	148,201.46	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	87,853.81	2,100.00	2.39%	0.00	0.00%	2,100.00	2.39%
1999	175,363.05	0.00	0.00%	183.36	0.00%	(183.36)	-0.10%
2000	204,423.96	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	93,591.44	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	124,267.41	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	105,585.79	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

394.30 (387.00) OTHER EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	6,869.00	900.00	13.10%	0.00	0.00%	900.00	13.10%
1981 - 1983	7,794.00	921.00	11.82%	0.00	0.00%	921.00	11.82%
1982 - 1984	10,162.00	921.00	9.06%	0.00	0.00%	921.00	9.06%
1983 - 1985	7,283.00	421.00	5.78%	0.00	0.00%	421.00	5.78%
1984 - 1986	6,690.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	9,556.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	6,936.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	66,412.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	134,899.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	265,902.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	207,871.36	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	314,231.85	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	269,331.35	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	290,377.78	-81.92	-0.03%	0.00	0.00%	(81.92)	-0.03%
1994 - 1996	128,342.12	-81.92	-0.06%	0.00	0.00%	(81.92)	-0.06%
1995 - 1997	190,441.08	-81.92	-0.04%	0.00	0.00%	(81.92)	-0.04%
1996 - 1998	254,509.10	2,100.00	0.83%	0.00	0.00%	2,100.00	0.83%
1997 - 1999	411,418.32	2,100.00	0.51%	183.36	0.04%	1,916.64	0.47%
1998 - 2000	467,640.82	2,100.00	0.45%	183.36	0.04%	1,916.64	0.41%
1999 - 2001	473,378.45	0.00	0.00%	183.36	0.04%	(183.36)	-0.04%
2000 - 2002	422,272.81	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	323,434.64	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

394.30 (387.00) OTHER EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	1,537,837.89	3,339.08	0.22 %	183.36	0.01 %	3,155.72	0.21 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	11.0
Average Retirement Age (Yrs)	11.4
Years To ASL	-0.4
Inflation Factor At 2.75% to ASL	0.99

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	-1.17%
1989-2003	15 - Year Trend	0.25%
1994-2003	10 - Year Trend	0.22%
1999-2003	5 - Year Trend	-0.25%

Forecasted

Gross Salvage	-0.25%
(Five Year Trend)	
Cost Of Removal	0.01%
Net Salvage	-0.26%

Bay State Gas Company

Total Company

396.00 POWER OPERATED EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1981	24,337.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	1,014.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	5,182.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	74,795.00	8,250.00	11.03%	0.00	0.00%	8,250.00	11.03%
1986	20,672.00	1,960.00	9.48%	0.00	0.00%	1,960.00	9.48%
1987	11,227.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	36,620.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	467.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	3,492.30	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	97,253.33	7,525.79	7.74%	0.00	0.00%	7,525.79	7.74%
1994	49,157.68	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	74,851.33	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	13,680.96	0.00%	0.00	0.00%	13,680.96	0.00%
1997	92,775.90	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	126,573.10	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	33,230.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	323,792.80	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	83,632.43	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	10,733.89	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	80,220.48	0.00	0.00%	0.00	0.00%	0.00	0.00%

DATAPAC/AMERICAN COMPUTER SYSTEMS INC. COMPUTER SYSTEMS INC.

Bay State Gas Company

Total Company

396.00 POWER OPERATED EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1981 - 1983	30,533.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982 - 1984	6,196.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 - 1985	79,977.00	8,250.00	10.32%	0.00	0.00%	8,250.00	10.32%
1984 - 1986	95,467.00	10,210.00	10.69%	0.00	0.00%	10,210.00	10.69%
1985 - 1987	106,694.00	10,210.00	9.57%	0.00	0.00%	10,210.00	9.57%
1986 - 1988	68,519.00	1,960.00	2.86%	0.00	0.00%	1,960.00	2.86%
1987 - 1989	48,314.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	37,087.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	467.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	3,492.30	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	100,745.63	7,525.79	7.47%	0.00	0.00%	7,525.79	7.47%
1992 - 1994	149,903.31	7,525.79	5.02%	0.00	0.00%	7,525.79	5.02%
1993 - 1995	221,262.34	7,525.79	3.40%	0.00	0.00%	7,525.79	3.40%
1994 - 1996	124,009.01	13,680.96	11.03%	0.00	0.00%	13,680.96	11.03%
1995 - 1997	167,627.23	13,680.96	8.16%	0.00	0.00%	13,680.96	8.16%
1996 - 1998	219,349.00	13,680.96	6.24%	0.00	0.00%	13,680.96	6.24%
1997 - 1999	252,579.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	483,595.90	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	440,655.23	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	418,159.12	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	174,586.80	0.00	0.00%	0.00	0.00%	0.00	0.00%

It is recommended that you consult your tax advisor before making any investment decisions. This document is not intended to be a recommendation or offer to sell any security.

Bay State Gas Company

Total Company

396.00 POWER OPERATED EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	1,150,027.24	31,416.75	2.73 %	0.00	0.00 %	31,416.75	2.73 %

Trend Analysis (End Year) 2003

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	13.0
Average Retirement Age (Yrs)	13.3
Years To ASL	-0.3
Inflation Factor At 2.75% to ASL	0.99

Gross Salvage
Linear Trend Analysis

1984-2003	20 - Year Trend	1.25%
1989-2003	15 - Year Trend	2.32%
1994-2003	10 - Year Trend	-1.78%
1999-2003	5 - Year Trend	0.00%

Forcasted

Gross Salvage	0.00%
(Five Year Trend)	
Cost Of Removal	0.00%
Net Salvage	0.00%

Bay State Gas Company

Total Company

397.00, 397.10, 397.20

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2004

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	852.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	9,443.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	2,276.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	11,274.00	240.00	2.13%	0.00	0.00%	240.00	2.13%
1984	2,826.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	28,505.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	8,878.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	42,899.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	26,981.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	45,714.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	88,776.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	44,063.12	4,382.00	9.94%	0.00	0.00%	4,382.00	9.94%
1993	130,795.45	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	56,589.14	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	19,831.29	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	4,217.39	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	10,793,164.32	9,529,980.95	88.30%	0.00	0.00%	9,529,980.95	88.30%
1998	835,280.95	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	250,141.60	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	8,048,885.79	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	178,443.35	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	29,336.81	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	183,539.69	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

397.00, 397.10, 397.20

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2004

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1980 - 1982	12,571.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	22,993.00	240.00	1.04%	0.00	0.00%	240.00	1.04%
1982 - 1984	16,376.00	240.00	1.47%	0.00	0.00%	240.00	1.47%
1983 - 1985	42,605.00	240.00	0.56%	0.00	0.00%	240.00	0.56%
1984 - 1986	31,331.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	37,383.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	51,777.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	78,758.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	115,594.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	161,471.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	178,553.12	4,382.00	2.45%	0.00	0.00%	4,382.00	2.45%
1991 - 1993	263,634.57	4,382.00	1.66%	0.00	0.00%	4,382.00	1.66%
1992 - 1994	231,447.71	4,382.00	1.89%	0.00	0.00%	4,382.00	1.89%
1993 - 1995	207,215.88	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	80,637.82	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	10,817,213.00	9,529,980.95	88.10%	0.00	0.00%	9,529,980.95	88.10%
1996 - 1998	11,632,662.66	9,529,980.95	81.92%	0.00	0.00%	9,529,980.95	81.92%
1997 - 1999	11,878,586.87	9,529,980.95	80.23%	0.00	0.00%	9,529,980.95	80.23%
1998 - 2000	9,134,308.34	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	8,477,470.74	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	8,256,665.95	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	391,319.85	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company

Total Company

397.00, 397.10, 397.20

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2004

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2004	20,842,712.90	9,534,602.95	45.75 %	0.00	0.00 %	9,534,602.95	45.75 %

Trend Analysis (End Year) 2004

*Based Upon Three - Year Rolling Averages

Annual Inflation Rate	2.75%
Average Service Life (ASL)	13.2
Average Retirement Age (Yrs)	7.2
Years To ASL	6.0
Inflation Factor At 2.75% to ASL	1.18

<u>Gross Salvage</u>	<u>Linear Trend Analysis</u>
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1985-2004 20 - Year Trend	31.87%
1990-2004 15 - Year Trend	32.32%
1995-2004 10 - Year Trend	14.06%
2000-2004 5 - Year Trend	-48.14%

Forcasted

Gross Salvage -48.14%

(Five Year Trend)

Cost Of Removal 0.00%

Net Salvage -48.14%

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Bay State Gas Company

Total Company

398.00 MISCELLANEOUS EQUIPMENT

Forecasted Future Net Salvage

Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ANNUAL ACTIVITY</u>							
1980	568.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983	60,963.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984	2,490.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987	2,102.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989	25,965.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993	5,603.15	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
398.00 MISCELLANEOUS EQUIPMENT

Forecasted Future Net Salvage
Based Upon Experienced Net Salvage 1977 - 2003

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<i>Three - Year Rolling Bands</i>							
1980 - 1982	568.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981 - 1983	60,963.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982 - 1984	63,453.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 - 1985	63,453.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984 - 1986	2,490.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 - 1987	2,102.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 - 1988	2,102.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 - 1989	28,067.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 - 1990	25,965.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 - 1991	25,965.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 - 1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 - 1993	5,603.15	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 - 1994	5,603.15	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 - 1995	5,603.15	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 - 1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 - 1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 - 1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 - 1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 - 2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 - 2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 - 2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 - 2003	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Bay State Gas Company
Total Company
398.00 MISCELLANEOUS EQUIPMENT

*Forecasted Future Net Salvage
 Based Upon Experienced Net Salvage 1977 - 2003*

<u>Year</u>	<u>Orginal Cost Of Retirements</u>	<u>Gross Salvage</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Three - Year Rolling Bands</u>							
1977 - 2003	97,691.15	0.00	0.00 %	0.00	0.00 %	0.00	0.00 %

Trend Analysis (End Year) 2003

***Based Upon Three - Year Rolling Averages**

		<u>Gross Salvage</u>	<u>Linear Trend Analysis</u>
Annual Inflation Rate	2.75%	1984-2003 20 - Year Trend	0.00%
Average Service Life (ASL)	18.0	1989-2003 15 - Year Trend	0.00%
Average Retirement Age (Yrs)	21.6	1994-2003 10 - Year Trend	0.00%
Years To ASL	-3.6	1999-2003 5 - Year Trend	0.00%
Inflation Factor At 2.75% to ASL	0.91		

Forcasted

Gross Salvage 0.00%

(Five Year Trend)

Cost Of Removal 0.00%

Net Salvage 0.00%